



**2021/0342(COD)**

11.8.2022

# **AMENDMENTS**

## **588 - 901**

**Draft report**

**Jonás Fernández**

(PE731.818v01-00)

Amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor

Proposal for a regulation

(COM(2021)0664 – C9-0397/2021 – 2021/0342(COD))



**Amendment 588**  
**Inese Vaidere**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Article 92 – paragraph 3 – point a – introductory part

*Text proposed by the Commission*

(a) *a stand-alone institution in the EU and, for the purposes of complying with the obligations of this Regulation on the basis of its consolidated situation in accordance with Part One, Title II, Chapter 2, an EU parent institution, an EU parent financial holding company and an EU parent mixed financial holding company* shall calculate the total risk exposure amount as follows:

*Amendment*

(a) *institutions* shall calculate the total risk exposure amount as follows:

Or. en

**Amendment 589**  
**Siegfried Mureşan**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Article 92 – paragraph 3 – point a – introductory part

*Text proposed by the Commission*

(a) *a stand-alone institution in the EU and, for the purposes of complying with the obligations of this Regulation on the basis of its consolidated situation in accordance with Part One, Title II, Chapter 2, an EU parent institution, an EU parent financial holding company and an EU parent mixed financial holding company* shall calculate the total risk exposure amount as follows:

*Amendment*

(a) *institutions* shall calculate the total risk exposure amount as follows:

Or. en

**Amendment 590**  
**Johan Van Overtveldt, Michiel Hoogeveen, Eugen Jurzyca**

## Proposal for a regulation

### Article 1 – paragraph 1 – point 23 – point a

Regulation (EU) No 575/2013

Article 92 – paragraph 3 – point a – introductory part

*Text proposed by the Commission*

*Amendment*

(a) ***a stand-alone institution in the EU and, for the purposes of complying with the obligations of this Regulation on the basis of its consolidated situation in accordance with Part One, Title II, Chapter 2, an EU parent institution, an EU parent financial holding company and an EU parent mixed financial holding company*** shall calculate the total risk exposure amount as follows:

(a) ***institutions*** shall calculate the total risk exposure amount as follows:

Or. en

*Justification*

*From a prudential or financial stability point of view there is no good reason to apply the output floor only on the consolidated level. On the contrary: this sets a dangerous precedent for host Member States and can lead to undercapitalized subsidiaries. Sufficient local buffers should be maintained by applying the output floor at the solo/subconso level as well. EBA's impact studies moreover show that, apart from co-operative groups, such an approach does not lead to higher capital requirements and only to possibilities to shift the location of capital buffers within a group.*

## Amendment 591

Christophe Hansen

## Proposal for a regulation

### Article 1 – paragraph 1 – point 23 – point a

Regulation (EU) No 575/2013

Article 92 – paragraph 3 – point a – introductory part

*Text proposed by the Commission*

*Amendment*

(a) ***a stand-alone institution in the EU and, for the purposes of complying with the obligations of this Regulation on the basis of its consolidated situation in accordance with Part One, Title II, Chapter 2, an EU parent institution, an EU parent financial holding company and***

(a) ***institutions*** shall calculate the total risk exposure amount as follows:

*an EU parent mixed financial holding company* shall calculate the total risk exposure amount as follows:

Or. en

#### **Amendment 592**

**Ville Niinistö**

on behalf of the Verts/ALE Group

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Article 92 – paragraph 3 – point a – introductory part

*Text proposed by the Commission*

*Amendment*

(a) *a stand-alone institution in the EU and, for the purposes of complying with the obligations of this Regulation on the basis of its consolidated situation in accordance with Part One, Title II, Chapter 2, an EU parent institution, an EU parent financial holding company and an EU parent mixed financial holding company* shall calculate the total risk exposure amount as follows:

(a) *institutions* shall calculate the total risk exposure amount as follows:

Or. en

#### **Amendment 593**

**Bogdan Rzońca**

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Article 92 – paragraphs 3 – point a – introductory part

*Text proposed by the Commission*

*Amendment*

(a) *a stand-alone institution in the EU and, for the purposes of complying with the obligations of this Regulation on the basis of its consolidated situation in accordance with Part One, Title II, Chapter 2, an EU parent institution, an EU parent financial holding company and an EU parent mixed financial holding*

(a) *institutions* shall calculate the total risk exposure amount as follows:

**company** shall calculate the total risk exposure amount as follows:

Or. en

#### *Justification*

*There is no good reason from a prudential or financial stability point of view to apply the output floor only on the consolidated level. The output floor is in the Commission proposal only imposed at the consolidated level of the international banking groups and not at the solo/subconso level of subsidiaries. This sets a dangerous precedent for Member states housing banks from other European Member states and can lead to undercapitalized subsidiaries. Especially since the banking union is not finished and we still don't have robust safeguards to replace the capital, liquidity and MREL buffers of local banks. It is therefore essential to maintain sufficient local buffers by applying the output floor at the solo/subconso level as well. Moreover, the main aim of the output floor is to address model risk and this risk has to be tackled at all levels. Up to now, banking standards have always been applied, for good reasons, for both the consolidated group and individual local banking subsidiaries.*

#### **Amendment 594** **Dragoş Pişlaru**

##### **Proposal for a regulation**

##### **Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Article 92 – paragraph 3 – point a – introductory part

#### *Text proposed by the Commission*

#### *Amendment*

(a) ***a stand-alone institution in the EU and, for the purposes of complying with the obligations of this Regulation on the basis of its consolidated situation in accordance with Part One, Title II, Chapter 2, an EU parent institution, an EU parent financial holding company and an EU parent mixed financial holding company*** shall calculate the total risk exposure amount as follows:

(a) ***institutions*** shall calculate the total risk exposure amount as follows:

Or. en

#### **Amendment 595** **Enikő Győri**

##### **Proposal for a regulation**

##### **Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013  
Article 92 – paragraph 3 – point a – introductory part

*Text proposed by the Commission*

*Amendment*

(a) ***a stand-alone institution in the EU and, for the purposes of complying with the obligations of this Regulation on the basis of its consolidated situation in accordance with Part One, Title II, Chapter 2, an EU parent institution, an EU parent financial holding company and an EU parent mixed financial holding company*** shall calculate the total risk exposure amount as follows:

(a) ***institutions*** shall calculate the total risk exposure amount as follows:

Or. en

**Amendment 596**  
**Marek Belka**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Art 92 – paragraph 3 – point a – introductory part

*Text proposed by the Commission*

*Amendment*

(a) ***a stand-alone institution in the EU and, for the purposes of complying with the obligations of this Regulation on the basis of its consolidated situation in accordance with Part One, Title II, Chapter 2, an EU parent institution, an EU parent financial holding company and an EU parent mixed financial holding company*** shall calculate the total risk exposure amount as follows:

(a) ***institutions*** shall calculate the total risk exposure amount as follows:

Or. en

*Justification*

*There is no good reason from a prudential or financial stability point of view to apply the output floor only on the consolidated level. The output floor is in the Commission proposal only imposed at the consolidated level of the international banking groups and not at the solo/subconso level of subsidiaries. This sets a dangerous precedent for Member states housing banks from other European Member states and can lead to undercapitalized subsidiaries. Especially since the banking union is not finished and we still don't have robust*

*safeguards to replace the capital, liquidity and MREL buffers of local banks. It is therefore essential to maintain sufficient local buffers by applying the output floor at the solo/subconso level as well. Moreover, the main aim of the output floor is to address model risk and this risk has to be tackled at all levels. Up to now, banking standards have always been applied, for good reasons, for both the consolidated group and individual local banking subsidiaries.*

**Amendment 597**  
**Jonás Fernández**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Article 92 – paragraph 3 – point a – introductory part

*Text proposed by the Commission*

*Amendment*

(a) *a stand-alone institution in the EU and, for the purposes of complying with the obligations of this Regulation on the basis of its consolidated situation in accordance with Part One, Title II, Chapter 2, an EU parent institution, an EU parent financial holding company and an EU parent mixed financial holding company shall calculate the total risk exposure amount as follows:*

(a) for the purposes of complying with the obligations of this Regulation ***institutions*** shall calculate the total risk exposure amount as follows:

Or. en

**Amendment 598**

**Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Article 92 – paragraph 3 – point a – subparagraph 5a (new)

*Text proposed by the Commission*

*Amendment*

***By way of derogation from the first subparagraph, institutions which deduct an IRB shortfall amount from their Common Equity Tier 1 in accordance with Article 36 (1), point (d) shall apply the following formula:***

***TREA= max {U-TREA; (x\*S-TREA)–(SF\*12,5)}***



*where*

*SF = the absolute value of the IRB shortfall deducted in accordance with Article 36(1), point (d)*

Or. en

**Amendment 599**  
**Gianna Gancia**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Article 92 – paragraph 3 – point a – subparagraph 5a (new)

*Text proposed by the Commission*

*Amendment*

*By way of derogation from the first subparagraph, institutions which deduct an IRB shortfall amount from their Common Equity Tier 1 in accordance with Article 36 (1), point (d) shall apply the following formula:*

$$TREA = \max \{U - TREA; (x * S - TREA) - (SF * 12,5)\}$$

*where*

*SF = the absolute value of the IRB shortfall deducted in accordance with Article 36(1), point (d)*

Or. en

*Justification*

*In the calculation of the output floor, attention should be paid to possible “IRB shortfall” deducted from CET1 pursuant to Article 36 (1) (d) CRR, which rise during computation of internal models (CR-IRBA), thus generating and undue capital requirement vis a vis the standardised approach (CR-SA). Indeed, banks with an IRB shortfall – i.e. a positive difference between the expected losses resulting from the internal models and the adjustments applied to the same exposures - have to deduct the respective amount from their CET1. In the standardised approach, there is no such measure. Thus, for a fair comparison between the two approaches, the formula of the output floor should be adjusted.*

**Amendment 600**  
**Raffaele Fitto**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Article 92 – paragraph 3 – point a – subparagraph 5a (new)

*Text proposed by the Commission*

*Amendment*

***By way of derogation from the first subparagraph, institutions which deduct an IRB shortfall amount from their Common Equity Tier 1 in accordance with Article 36 (1), point (d) shall apply the following formula:***

$$TREA = \max \{U - TREA; (x * S - TREA) - (SF * 12,5)\}$$

***where***

***SF = the absolute value of the IRB shortfall deducted in accordance with Article 36(1), point (d)***

Or. en

**Amendment 601**

**Carlo Calenda**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Article 92 – paragraph 3 – point a – subparagraph 5a (new)

*Text proposed by the Commission*

*Amendment*

***By way of derogation from the first subparagraph, institutions which deduct an IRB shortfall amount from their Common Equity Tier 1 in accordance with Article 36 (1), point (d) shall apply the following formula:***

$$TREA = \max \{U - TREA; (x * S - TREA) - (SF * 12,5)\}$$

***where***

***SF = the absolute value of the IRB shortfall deducted in accordance with Article 36(1), point (d)***

Or. en

## **Amendment 602**

**Marco Zanni, Antonio Maria Rinaldi, Valentino Grant**

### **Proposal for a regulation**

#### **Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Article 92 – paragraph 3 – point a – subparagraph 5a (new)

*Text proposed by the Commission*

*Amendment*

***By way of derogation from the first subparagraph, institutions which deduct an IRB shortfall amount from their Common Equity Tier 1 in accordance with Article 36(1), point (d) shall apply the following formula:***

$$TREA = \max \{U - TREA; (x * S - TREA) - (SF * 12,5)\}$$

*where*

***SF = the absolute value of the IRB shortfall deducted in accordance with Article 36(1), point (d)***

Or. en

## **Amendment 603**

**Danuta Maria Hübner**

### **Proposal for a regulation**

#### **Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Article 92 – paragraph 3 – point b

*Text proposed by the Commission*

*Amendment*

***(b) for the purposes set out in points (i) and (ii), the total risk exposure amount shall be calculated in accordance with paragraph 6:***

***deleted***

***(i) in case of a stand-alone subsidiary institution in a Member State, for the purposes of complying with obligations of this Regulation on its individual basis;***

***(ii) in case of a parent institution in a Member State, a parent financial holding company in a Member State or a parent***

***mixed financial holding company in a Member State, for the purposes of complying with obligations of this Regulation on the basis of its consolidated situation;***

Or. en

*Justification*

*The output floor should be applied at the highest level of consolidation only, in line with Basel.*

**Amendment 604**

**Johan Van Overtveldt, Michiel Hoogeveen, Eugen Jurzyca**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Article 92 – paragraph 3 – point b

*Text proposed by the Commission*

*Amendment*

***(b) for the purposes set out in points (i) and (ii), the total risk exposure amount shall be calculated in accordance with paragraph 6:*** ***deleted***

***(i) in case of a stand-alone subsidiary institution in a Member State, for the purposes of complying with obligations of this Regulation on its individual basis;***

***(ii) in case of a parent institution in a Member State, a parent financial holding company in a Member State or a parent mixed financial holding company in a Member State, for the purposes of complying with obligations of this Regulation on the basis of its consolidated situation;***

Or. en

*Justification*

*From a prudential or financial stability point of view there is no good reason to apply the output floor only on the consolidated level. On the contrary: this sets a dangerous precedent for host Member States and can lead to undercapitalized subsidiaries. Sufficient local buffers should be maintained by applying the output floor at the solo/subconso level as well. EBA's*

*impact studies moreover show that, apart from co-operative groups, such an approach does not lead to higher capital requirements and only to possibilities to shift the location of capital buffers within a group.*

## **Amendment 605**

**Othmar Karas**

### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Article 92 – paragraph 3 – point b

*Text proposed by the Commission*

*Amendment*

**(b) for the purposes set out in points (i) and (ii), the total risk exposure amount shall be calculated in accordance with paragraph 6:** *deleted*

**(i) in case of a stand-alone subsidiary institution in a Member State, for the purposes of complying with obligations of this Regulation on its individual basis;**

**(ii) in case of a parent institution in a Member State, a parent financial holding company in a Member State or a parent mixed financial holding company in a Member State, for the purposes of complying with obligations of this Regulation on the basis of its consolidated situation;**

Or. en

### *Justification*

*The output floor should be applied at the highest level of consolidation only. Not only does an application below the top-consolidated basis result in stricter rules than intended by the Basel III standards, but it also avoids unnecessary complexities, administrative burden and adverse effects for risk management within banking groups. Moreover, a consolidated application was the assumption behind the calibration of the output floor and is also in line with the objectives of the, long overdue, completion of the banking union.*

## **Amendment 606**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Article 92 – paragraph 3 – point b

*Text proposed by the Commission*

*Amendment*

**(b) for the purposes set out in points (i) and (ii), the total risk exposure amount shall be calculated in accordance with paragraph 6:** *deleted*

**(i) in case of a stand-alone subsidiary institution in a Member State, for the purposes of complying with obligations of this Regulation on its individual basis;**

**(ii) in case of a parent institution in a Member State, a parent financial holding company in a Member State or a parent mixed financial holding company in a Member State, for the purposes of complying with obligations of this Regulation on the basis of its consolidated situation;**

Or. en

*Justification*

*Application of the Output Floor at the highest level of consolidation, in line with the Basel agreement and the ECB position.*

**Amendment 607**

**Enikő Győri**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Article 92 – paragraph 3 – point b

*Text proposed by the Commission*

*Amendment*

**(b) for the purposes set out in points (i) and (ii), the total risk exposure amount shall be calculated in accordance with paragraph 6:** *deleted*

**(i) in case of a stand-alone subsidiary institution in a Member State, for the**

*purposes of complying with obligations of this Regulation on its individual basis;*

*(ii) in case of a parent institution in a Member State, a parent financial holding company in a Member State or a parent mixed financial holding company in a Member State, for the purposes of complying with obligations of this Regulation on the basis of its consolidated situation;*

Or. en

**Amendment 608**  
**Marek Belka**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 23 – point a**  
Regulation (EU) No 575/2013  
Article 92 – paragraph 3 – point b

*Text proposed by the Commission*

*Amendment*

*(b) for the purposes set out in points (i) and (ii), the total risk exposure amount shall be calculated in accordance with paragraph 6:* **deleted**

*(i) in case of a stand-alone subsidiary institution in a Member State, for the purposes of complying with obligations of this Regulation on its individual basis;*

*(ii) in case of a parent institution in a Member State, a parent financial holding company in a Member State or a parent mixed financial holding company in a Member State, for the purposes of complying with obligations of this Regulation on the basis of its consolidated situation;*

Or. en

*Justification*

*There is no good reason from a prudential or financial stability point of view to apply the output floor only on the consolidated level. The output floor is in the Commission proposal only imposed at the consolidated level of the international banking groups and not at the solo/subconso level of subsidiaries. This sets a dangerous precedent for Member states*

*housing banks from other European Member states and can lead to undercapitalized subsidiaries. Especially since the banking union is not finished and we still don't have robust safeguards to replace the capital, liquidity and MREL buffers of local banks. It is therefore essential to maintain sufficient local buffers by applying the output floor at the solo/subconso level as well. Moreover, the main aim of the output floor is to address model risk and this risk has to be tackled at all levels. Up to now, banking standards have always been applied, for good reasons, for both the consolidated group and individual local banking subsidiaries.*

**Amendment 609**  
**Inese Vaidere**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 23 – point a**  
Regulation (EU) No 575/2013  
Article 92 – paragraph 3– point b

*Text proposed by the Commission*

*Amendment*

**(b) for the purposes set out in points (i) and (ii), the total risk exposure amount shall be calculated in accordance with paragraph 6:** *deleted*

**(i) in case of a stand-alone subsidiary institution in a Member State, for the purposes of complying with obligations of this Regulation on its individual basis;**

**(ii) in case of a parent institution in a Member State, a parent financial holding company in a Member State or a parent mixed financial holding company in a Member State, for the purposes of complying with obligations of this Regulation on the basis of its consolidated situation;**

Or. en

**Amendment 610**  
**Bogdan Rzońca**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 23 – point a**  
Regulation (EU) No575–2013  
Article 92 – paragraphs 3 – point b



*Text proposed by the Commission*

*Amendment*

**(b) for the purposes set out in points (i) and (ii), the total risk exposure amount shall be calculated in accordance with paragraph 6:** *deleted*

**(i) in case of a stand-alone subsidiary institution in a Member State, for the purposes of complying with obligations of this Regulation on its individual basis;**

**(ii) in case of a parent institution in a Member State, a parent financial holding company in a Member State or a parent mixed financial holding company in a Member State, for the purposes of complying with obligations of this Regulation on the basis of its consolidated situation;**

Or. en

*Justification*

*There is no good reason from a prudential or financial stability point of view to apply the output floor only on the consolidated level. The output floor is in the Commission proposal only imposed at the consolidated level of the international banking groups and not at the solo/subconso level of subsidiaries. This sets a dangerous precedent for Member states housing banks from other European Member states and can lead to undercapitalized subsidiaries. Especially since the banking union is not finished and we still don't have robust safeguards to replace the capital, liquidity and MREL buffers of local banks. It is therefore essential to maintain sufficient local buffers by applying the output floor at the solo/subconso level as well. Moreover, the main aim of the output floor is to address model risk and this risk has to be tackled at all levels. Up to now, banking standards have always been applied, for good reasons, for both the consolidated group and individual local banking subsidiaries.*

**Amendment 611**  
**Jonás Fernández**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 23 – point a**  
Regulation (EU) No 575/2013  
Article 92 – paragraph 3 – point b

*Text proposed by the Commission*

*Amendment*

**(b) for the purposes set out in points** *deleted*

*(i) and (ii), the total risk exposure amount shall be calculated in accordance with paragraph 6:*

*(i) in case of a stand-alone subsidiary institution in a Member State, for the purposes of complying with obligations of this Regulation on its individual basis;*

*(ii) in case of a parent institution in a Member State, a parent financial holding company in a Member State or a parent mixed financial holding company in a Member State, for the purposes of complying with obligations of this Regulation on the basis of its consolidated situation;*

Or. en

## **Amendment 612**

**Dragoş Pîslaru**

### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Article 92 – paragraph 3 – point b

*Text proposed by the Commission*

*Amendment*

*(b) for the purposes set out in points (i) and (ii), the total risk exposure amount shall be calculated in accordance with paragraph 6:* *deleted*

*(i) in case of a stand-alone subsidiary institution in a Member State, for the purposes of complying with obligations of this Regulation on its individual basis;*

*(ii) in case of a parent institution in a Member State, a parent financial holding company in a Member State or a parent mixed financial holding company in a Member State, for the purposes of complying with obligations of this Regulation on the basis of its consolidated situation;*

Or. en

**Amendment 613**  
**Siegfried Mureşan**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Article 92 – paragraph 3 – point b

*Text proposed by the Commission*

*Amendment*

**(b) for the purposes set out in points (i) and (ii), the total risk exposure amount shall be calculated in accordance with paragraph 6:**

*deleted*

**(i) in case of a stand-alone subsidiary institution in a Member State, for the purposes of complying with obligations of this Regulation on its individual basis;**

**(ii) in case of a parent institution in a Member State, a parent financial holding company in a Member State or a parent mixed financial holding company in a Member State, for the purposes of complying with obligations of this Regulation on the basis of its consolidated situation;**

Or. en

**Amendment 614**

**Ville Niinistö**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Article 92 – paragraph 3 – point b

*Text proposed by the Commission*

*Amendment*

**(b) for the purposes set out in points (i) and (ii), the total risk exposure amount shall be calculated in accordance with paragraph 6:**

**(b) by way of derogation of paragraph a), competent authorities may authorise institutions in their jurisdiction that are part of a group with the parent institution also located in this Member State to use for their total risk exposure amount the un-floored total risk amount, provided that the parent institution calculates its**

*total risk exposure amount* in accordance with paragraph a) *on a consolidated basis*.

*(i) in case of a stand-alone subsidiary institution in a Member State, for the purposes of complying with obligations of this Regulation on its individual basis;*

*(ii) in case of a parent institution in a Member State, a parent financial holding company in a Member State or a parent mixed financial holding company in a Member State, for the purposes of complying with obligations of this Regulation on the basis of its consolidated situation;*

*To authorise institutions to calculate their risk exposures in accordance with point b), competent authorities should take into account at least the following elements:*

*i) the risk faced by the institution would still be properly reflected in the calculation of its risk exposure amount;*

*ii) the institution would still remain sufficiently capitalised to cope with adverse economic conditions;*

*iii) the application of the discretion does not jeopardise the level playing field between institutions.*

*By 12 months after the entry into force of this Regulation, EBA shall issue guidelines, in accordance with Article 16 of Regulation (EU) No 1093/2010 on the conditions and criteria competent authorities should apply when authorising institutions to calculate their risk exposure in accordance with point b) of this paragraph.*

Or. en

**Amendment 615**  
**Christophe Hansen**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 23 – point a**

*Text proposed by the Commission*

(b) **for the purposes set out in points (i) and (ii)**, the total risk exposure amount shall be calculated in accordance with paragraph 6:

*Amendment*

(b) **by way of derogation from point (a), a Member State may decide that** the total risk exposure amount shall be **the unfloored total risk exposure amount**, calculated in accordance with paragraph 4, **for institutions in its jurisdiction which are part of a group with a parent institution in this Member State, provided that this parent institution or, in the case of groups composed of a central body and permanently affiliated institutions, the whole as constituted by the central body together with its affiliated institutions calculates its total risk exposure amount in accordance with point (a) on a consolidated basis.**

Or. en

**Amendment 616**  
**Marek Belka**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 23 – point a**  
Regulation (EU) No 575/2013  
Article 92 – paragraph 3 – point c

*Text proposed by the Commission*

(c) **for the purposes of complying with the obligations of this Regulation on an individual basis, the total risk exposure amount of an institution which is neither a stand-alone institution in the EU nor a stand-alone subsidiary institution in a Member State shall be the unfloored total risk exposure amount calculated in accordance with paragraph 4.**

*Amendment*

**deleted**

Or. en

*Justification*

*There is no good reason from a prudential or financial stability point of view to apply the*

*output floor only on the consolidated level. The output floor is in the Commission proposal only imposed at the consolidated level of the international banking groups and not at the solo/subconso level of subsidiaries. This sets a dangerous precedent for Member states housing banks from other European Member states and can lead to undercapitalized subsidiaries. Especially since the banking union is not finished and we still don't have robust safeguards to replace the capital, liquidity and MREL buffers of local banks. It is therefore essential to maintain sufficient local buffers by applying the output floor at the solo/subconso level as well. Moreover, the main aim of the output floor is to address model risk and this risk has to be tackled at all levels. Up to now, banking standards have always been applied, for good reasons, for both the consolidated group and individual local banking subsidiaries.*

#### **Amendment 617**

**Dragoş Pîslaru**

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Article 92 – paragraph 3 – point c

*Text proposed by the Commission*

*Amendment*

*(c) for the purposes of complying with the obligations of this Regulation on an individual basis, the total risk exposure amount of an institution which is neither a stand-alone institution in the EU nor a stand-alone subsidiary institution in a Member State shall be the un-floored total risk exposure amount calculated in accordance with paragraph 4.*

*deleted*

Or. en

#### **Amendment 618**

**Ville Niinistö**

on behalf of the Verts/ALE Group

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Article 92 – paragraph 3 – point c

*Text proposed by the Commission*

*Amendment*

*(c) for the purposes of complying with the obligations of this Regulation on an individual basis, the total risk exposure*

*deleted*

*amount of an institution which is neither a stand-alone institution in the EU nor a stand-alone subsidiary institution in a Member State shall be the un-floored total risk exposure amount calculated in accordance with paragraph 4.*

Or. en

#### **Amendment 619**

**Johan Van Overtveldt, Michiel Hoogeveen, Eugen Jurzyca**

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Article 92 – paragraph 3 – point c

*Text proposed by the Commission*

*Amendment*

*(c) for the purposes of complying with the obligations of this Regulation on an individual basis, the total risk exposure amount of an institution which is neither a stand-alone institution in the EU nor a stand-alone subsidiary institution in a Member State shall be the un-floored total risk exposure amount calculated in accordance with paragraph 4.* **deleted**

Or. en

#### *Justification*

*From a prudential or financial stability point of view there is no good reason to apply the output floor only on the consolidated level. On the contrary: this sets a dangerous precedent for host Member States and can lead to undercapitalized subsidiaries. Sufficient local buffers should be maintained by applying the output floor at the solo/subconso level as well. EBA's impact studies moreover show that, apart from co-operative groups, such an approach does not lead to higher capital requirements and only to possibilities to shift the location of capital buffers within a group.*

#### **Amendment 620**

**Christophe Hansen**

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Article 92 – paragraph 3 – point c

*Text proposed by the Commission*

*Amendment*

**(c) for the purposes of complying with the obligations of this Regulation on an individual basis, the total risk exposure amount of an institution which is neither a stand-alone institution in the EU nor a stand-alone subsidiary institution in a Member State shall be the un-floored total risk exposure amount calculated in accordance with paragraph 4.** *deleted*

Or. en

**Amendment 621**  
**Bogdan Rzońca**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Article 92 – paragraphs 3 – point c

*Text proposed by the Commission*

*Amendment*

**(c) for the purposes of complying with the obligations of this Regulation on an individual basis, the total risk exposure amount of an institution which is neither a stand-alone institution in the EU nor a stand-alone subsidiary institution in a Member State shall be the un-floored total risk exposure amount calculated in accordance with paragraph 4.** *deleted*

Or. en

*Justification*

*There is no good reason from a prudential or financial stability point of view to apply the output floor only on the consolidated level. The output floor is in the Commission proposal only imposed at the consolidated level of the international banking groups and not at the solo/subconso level of subsidiaries. This sets a dangerous precedent for Member states housing banks from other European Member states and can lead to undercapitalized subsidiaries. Especially since the banking union is not finished and we still don't have robust safeguards to replace the capital, liquidity and MREL buffers of local banks. It is therefore essential to maintain sufficient local buffers by applying the output floor at the solo/subconso level as well. Moreover, the main aim of the output floor is to address model risk and this risk has to be tackled at all levels. Up to now, banking standards have always been applied, for*



*good reasons, for both the consolidated group and individual local banking subsidiaries.*

**Amendment 622**  
**Jonás Fernández**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 23 – point a**  
Regulation (EU) No 575/2013  
Article 92 – paragraph 3 – point c

*Text proposed by the Commission*

*Amendment*

*(c) for the purposes of complying with the obligations of this Regulation on an individual basis, the total risk exposure amount of an institution which is neither a stand-alone institution in the EU nor a stand-alone subsidiary institution in a Member State shall be the un-floored total risk exposure amount calculated in accordance with paragraph 4.* **deleted**

Or. en

**Amendment 623**  
**Inese Vaidere**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 23 – point a**  
Regulation (EU) No 575/2013  
Article 92 – paragraph 3 – point c

*Text proposed by the Commission*

*Amendment*

*(c) for the purposes of complying with the obligations of this Regulation on an individual basis, the total risk exposure amount of an institution which is neither a stand-alone institution in the EU nor a stand-alone subsidiary institution in a Member State shall be the un-floored total risk exposure amount calculated in accordance with paragraph 4.* **deleted**

Or. en

**Amendment 624**

**Enikő Győri**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Article 92 – paragraph 3 – point c

*Text proposed by the Commission*

*Amendment*

**(c) for the purposes of complying with the obligations of this Regulation on an individual basis, the total risk exposure amount of an institution which is neither a stand-alone institution in the EU nor a stand-alone subsidiary institution in a Member State shall be the un-floored total risk exposure amount calculated in accordance with paragraph 4.** *deleted*

Or. en

**Amendment 625**

**Siegfried Mureşan**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Article 92 – paragraph 3 – point c

*Text proposed by the Commission*

*Amendment*

**(c) for the purposes of complying with the obligations of this Regulation on an individual basis, the total risk exposure amount of an institution which is neither a stand-alone institution in the EU nor a stand-alone subsidiary institution in a Member State shall be the un-floored total risk exposure amount calculated in accordance with paragraph 4.** *deleted*

Or. en

**Amendment 626**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

## **Proposal for a regulation**

### **Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Article 92 – paragraph 3 – point c

#### *Text proposed by the Commission*

(c) for the purposes of complying with the obligations of this Regulation ***on an individual basis***, the total risk exposure amount ***of an institution which is neither a stand-alone institution in the EU nor a stand-alone subsidiary institution in a Member State*** shall be the un-floored total risk exposure amount calculated in accordance with paragraph 4.

#### *Amendment*

(c) for the purposes of complying with the obligations of this Regulation ***in any case other than the cases referred to in point (a) of this paragraph***, the total risk exposure amount shall be the un-floored total risk exposure amount calculated in accordance with paragraph 4.

Or. en

#### *Justification*

*Application of the Output Floor at the highest level of consolidation, in line with the Basel agreement and the ECB position.*

## **Amendment 627**

**Othmar Karas**

## **Proposal for a regulation**

### **Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Article 92 – paragraph 3 – point c

#### *Text proposed by the Commission*

(c) for the purposes of complying with the obligations of this Regulation ***on an individual basis***, the total risk exposure amount ***of an institution which is neither a stand-alone institution in the EU nor a stand-alone subsidiary institution in a Member State*** shall be the un-floored total risk exposure amount calculated in accordance with paragraph 4.

#### *Amendment*

(c) for the purposes of complying with the obligations of this Regulation ***in any case other than the cases referred to in point (a) of this paragraph***, the total risk exposure amount shall be the un-floored total risk exposure amount calculated in accordance with paragraph 4.

Or. en

#### *Justification*

*The output floor should be applied at the highest level of consolidation only. Not only does an*

*application below the top-consolidated basis result in stricter rules than intended by the Basel III standards, but it also avoids unnecessary complexities, administrative burden and adverse effects for risk management within banking groups. Moreover, a consolidated application was the assumption behind the calibration of the output floor and is also in line with the objectives of the, long overdue, completion of the banking union.*

## **Amendment 628**

**Danuta Maria Hübner**

### **Proposal for a regulation**

#### **Article 1 – paragraph 1 – point 23 – point a**

Regulation (EU) No 575/2013

Article 92 – paragraph 3 – point c

*Text proposed by the Commission*

(c) for the purposes of complying with the obligations of this Regulation ***on an individual basis***, the total risk exposure amount ***of an institution which is neither a stand-alone institution in the EU nor a stand-alone subsidiary institution in a Member State*** shall be the un-floored total risk exposure amount calculated in accordance with paragraph 4.

*Amendment*

(c) for the purposes of complying with the obligations of this Regulation ***in any case other than the cases referred to in point (a) of this paragraph***, the total risk exposure amount shall be the un-floored total risk exposure amount calculated in accordance with paragraph 4.

Or. en

*Justification*

*The output floor should be applied at the highest level of consolidation only, in line with Basel.*

## **Amendment 629**

**Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Olivier Chastel**

### **Proposal for a regulation**

#### **Article 1 – paragraph 1 – point 23 – point b**

Regulation (EU) No 575/2013

Article 92 – paragraph 5a (new)

*Text proposed by the Commission*

*Amendment*

***5 a. Exposures to central governments,***

*regional governments, local authorities or public sector entities should be excluded from the calculation of the standardised total risk exposure amount in accordance with paragraph 5 of this Article.*

Or. en

*Justification*

*Exposures to central governments and RGLA-PSE exposures should not be penalised by the output floor which would otherwise lead to a significant increase in capital requirements for these exposures which would not be in line with their low risks.*

**Amendment 630**  
**Siegfried Mureşan**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 23 – point b**  
Regulation (EU) No 575/2013  
Article 92 – paragraph 6

*Text proposed by the Commission*

*Amendment*

**6.** *The total risk exposure amount of an entity ‘i’ for the purposes set out in paragraph 3, point (b), shall be calculated as follows:* **deleted**

$TREA_i = U-TREA_i + DI^{conso} * Contribi^{conso}$

*where:*

*i = the index that denotes the entity;*

*TREA<sub>i</sub> = the total risk exposure amount of entity i;*

*U-TREA<sub>i</sub> = the un-floored total risk exposure amount of entity i calculated in accordance with paragraph 4;*

*DI<sup>conso</sup> = any positive difference between the total risk exposure amount and the un-floored total risk exposure amount for the consolidated situation of the EU parent institution, EU parent financial holding company or EU parent mixed financial holding company of the group that entity i is part of, calculated as*

*follows:*

$$DI_{\text{conso}} = \text{TREA} - U\text{-TREA}$$

*where:*

*U-TREA = the un-floored total risk exposure amount calculated in accordance with paragraph 4 for that EU parent institution, EU parent financial holding company or EU parent mixed financial holding company on the basis of its consolidated situation;*

*TREA = the total risk exposure amount calculated in accordance with paragraph 3, point (a), for that EU parent institution, EU parent financial holding company or EU parent mixed financial holding company on the basis of its consolidated situation.*

*Contrib<sup>conso</sup><sub>i</sub> = the contribution of entity i, calculated as follows:*

$$\text{Contrib}_{\text{conso}} = \{(F\text{-TREA}_i - U\text{-TREA}_i) / \sum (jF\text{-TREA}_j - U\text{-TREA}_j)\},$$

*if  $\sum (jF\text{-TREA}_j - U\text{-TREA}_j) > 0$*

*0, otherwise*

*where:*

*j = the index that denotes all entities that are part of the same group as entity i for the consolidated situation of the EU parent institution, EU parent financial holding company or EU parent mixed financial holding company;*

*U-TREA<sub>j</sub> = the un-floored total risk exposure amount calculated by entity j in accordance with paragraph 4 on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, on its individual basis;*

*F-TREA<sub>j</sub> = the floored total risk exposure amount of entity j calculated on the basis of its consolidated situation as follows:*

$$F\text{-TREA}_j = \max \{U\text{-TREA}_j; x \cdot S\text{-TREA}_j\}$$

*where:*

*F-TREA<sub>j</sub> = the floored total risk exposure amount calculated by entity j on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, for its individual basis;*

*S-TREA<sub>j</sub> = the standardised total risk exposure amount calculated in accordance with paragraph 5 by entity j on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, for its individual basis;*

*x = 72,5 %.*

Or. en

**Amendment 631**  
**Othmar Karas**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 23 – point b**  
Regulation (EU) No 575/2013  
Article 92 – paragraph 6

*Text proposed by the Commission*

*Amendment*

**6. The total risk exposure amount of an entity ‘i’ for the purposes set out in paragraph 3, point (b), shall be calculated as follows:** *deleted*

*null*

*where:*

*i = the index that denotes the entity;*

*TREA<sub>i</sub> = the total risk exposure amount of entity i;*

*U-TREA<sub>i</sub> = the un-floored total risk exposure amount of entity i calculated in accordance with paragraph 4;*

*DI<sup>conso</sup> = any positive difference between the total risk exposure amount and the un-floored total risk exposure amount for the consolidated situation of the EU parent institution, EU parent financial holding company or EU parent mixed*

*financial holding company of the group that entity i is part of, calculated as follows:*

*null*

*where:*

*U-TREA = the un-floored total risk exposure amount calculated in accordance with paragraph 4 for that EU parent institution, EU parent financial holding company or EU parent mixed financial holding company on the basis of its consolidated situation;*

*TREA = the total risk exposure amount calculated in accordance with paragraph 3, point (a), for that EU parent institution, EU parent financial holding company or EU parent mixed financial holding company on the basis of its consolidated situation.*

*Contrib<sup>conso</sup><sub>i</sub> = the contribution of entity i, calculated as follows:*

*null*

*where:*

*j = the index that denotes all entities that are part of the same group as entity i for the consolidated situation of the EU parent institution, EU parent financial holding company or EU parent mixed financial holding company;*

*U-TREA<sub>j</sub> = the un-floored total risk exposure amount calculated by entity j in accordance with paragraph 4 on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, on its individual basis;*

*F-TREA<sub>j</sub> = the floored total risk exposure amount of entity j calculated on the basis of its consolidated situation as follows:*

*null*

*where:*

*F-TREA<sub>j</sub> = the floored total risk exposure amount calculated by entity j on the basis*



*of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, for its individual basis;*

*S-TREA<sub>j</sub> = the standardised total risk exposure amount calculated in accordance with paragraph 5 by entity j on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, for its individual basis;*

*x = 72,5 %.*

Or. en

#### *Justification*

*The output floor should be applied at the highest level of consolidation only. Not only does an application below the top-consolidated basis result in stricter rules than intended by the Basel III standards, but it also avoids unnecessary complexities, administrative burden and adverse effects for risk management within banking groups. Moreover, a consolidated application was the assumption behind the calibration of the output floor and is also in line with the objectives of the, long overdue, completion of the banking union.*

#### **Amendment 632** **Bogdan Rzońca**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 23 – point b**  
Regulation (EU) No 575/2013  
Article 92 – paragraph 6

*Text proposed by the Commission*

*Amendment*

**6.** *The total risk exposure amount of an entity ‘i’ for the purposes set out in paragraph 3, point (b), shall be calculated as follows:* **deleted**

*null*

*where:*

*i = the index that denotes the entity;*

*TREA<sub>i</sub> = the total risk exposure amount of entity i;*

*U-TREA<sub>i</sub> = the un-floored total risk exposure amount of entity i calculated in*

*accordance with paragraph 4;*

*$DI^{conso}$  = any positive difference between the total risk exposure amount and the un-floored total risk exposure amount for the consolidated situation of the EU parent institution, EU parent financial holding company or EU parent mixed financial holding company of the group that entity  $i$  is part of, calculated as follows:*

*null*

*where:*

*$U-TREA$  = the un-floored total risk exposure amount calculated in accordance with paragraph 4 for that EU parent institution, EU parent financial holding company or EU parent mixed financial holding company on the basis of its consolidated situation;*

*$TREA$  = the total risk exposure amount calculated in accordance with paragraph 3, point (a), for that EU parent institution, EU parent financial holding company or EU parent mixed financial holding company on the basis of its consolidated situation.*

*$Contrib^{conso}_i$  = the contribution of entity  $i$ , calculated as follows:*

*null*

*where:*

*$j$  = the index that denotes all entities that are part of the same group as entity  $i$  for the consolidated situation of the EU parent institution, EU parent financial holding company or EU parent mixed financial holding company;*

*$U-TREA_j$  = the un-floored total risk exposure amount calculated by entity  $j$  in accordance with paragraph 4 on the basis of its consolidated situation or, in case entity  $j$  is a stand-alone subsidiary institution in a Member State, on its individual basis;*

*F-TREA<sub>j</sub> = the floored total risk exposure amount of entity j calculated on the basis of its consolidated situation as follows:*

*null*

*where:*

*F-TREA<sub>j</sub> = the floored total risk exposure amount calculated by entity j on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, for its individual basis;*

*S-TREA<sub>j</sub> = the standardised total risk exposure amount calculated in accordance with paragraph 5 by entity j on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, for its individual basis;*

*x = 72,5 %.*

Or. en

#### *Justification*

*There is no good reason from a prudential or financial stability point of view to apply the output floor only on the consolidated level. The output floor is in the Commission proposal only imposed at the consolidated level of the international banking groups and not at the solo/subconso level of subsidiaries. This sets a dangerous precedent for Member states housing banks from other European Member states and can lead to undercapitalized subsidiaries. Especially since the banking union is not finished and we still don't have robust safeguards to replace the capital, liquidity and MREL buffers of local banks. It is therefore essential to maintain sufficient local buffers by applying the output floor at the solo/subconso level as well. Moreover, the main aim of the output floor is to address model risk and this risk has to be tackled at all levels. Up to now, banking standards have always been applied, for good reasons, for both the consolidated group and individual local banking subsidiaries.*

#### **Amendment 633**

**Inese Vaidere**

#### **Proposal for a regulation**

#### **Article 1 – paragraph 1 – point 23 – point b**

Regulation (EU) No 575/2013

Article 92 – paragraph 6

6. **The total risk exposure amount of an entity 'i' for the purposes set out in paragraph 3, point (b), shall be calculated as follows:** **deleted**

**null**

**where:**

***i* = the index that denotes the entity;**

***TREA<sub>i</sub>* = the total risk exposure amount of entity *i*;**

***U-TREA<sub>i</sub>* = the un-floored total risk exposure amount of entity *i* calculated in accordance with paragraph 4;**

***DI<sup>conso</sup>* = any positive difference between the total risk exposure amount and the un-floored total risk exposure amount for the consolidated situation of the EU parent institution, EU parent financial holding company or EU parent mixed financial holding company of the group that entity *i* is part of, calculated as follows:**

**null**

**where:**

***U-TREA* = the un-floored total risk exposure amount calculated in accordance with paragraph 4 for that EU parent institution, EU parent financial holding company or EU parent mixed financial holding company on the basis of its consolidated situation;**

***TREA* = the total risk exposure amount calculated in accordance with paragraph 3, point (a), for that EU parent institution, EU parent financial holding company or EU parent mixed financial holding company on the basis of its consolidated situation.**

***Contrib<sup>conso</sup><sub>i</sub>* = the contribution of entity *i*, calculated as follows:**

**null**

where:

*j* = the index that denotes all entities that are part of the same group as entity *i* for the consolidated situation of the EU parent institution, EU parent financial holding company or EU parent mixed financial holding company;

*U-TREA<sub>j</sub>* = the un-floored total risk exposure amount calculated by entity *j* in accordance with paragraph 4 on the basis of its consolidated situation or, in case entity *j* is a stand-alone subsidiary institution in a Member State, on its individual basis;

*F-TREA<sub>j</sub>* = the floored total risk exposure amount of entity *j* calculated on the basis of its consolidated situation as follows:

null

where:

*F-TREA<sub>j</sub>* = the floored total risk exposure amount calculated by entity *j* on the basis of its consolidated situation or, in case entity *j* is a stand-alone subsidiary institution in a Member State, for its individual basis;

*S-TREA<sub>j</sub>* = the standardised total risk exposure amount calculated in accordance with paragraph 5 by entity *j* on the basis of its consolidated situation or, in case entity *j* is a stand-alone subsidiary institution in a Member State, for its individual basis;

*x* = 72,5 %.

Or. en

## **Amendment 634**

**Enikő Győri**

### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point b**

Regulation (EU) No 575/2013

Article 92 – paragraph 6

6. ***The total risk exposure amount of an entity 'i' for the purposes set out in paragraph 3, point (b), shall be calculated as follows:*** ***deleted***

***null***

***where:***

***i = the index that denotes the entity;***

***TREA<sub>i</sub> = the total risk exposure amount of entity i;***

***U-TREA<sub>i</sub> = the un-floored total risk exposure amount of entity i calculated in accordance with paragraph 4;***

***DI<sup>conso</sup> = any positive difference between the total risk exposure amount and the un-floored total risk exposure amount for the consolidated situation of the EU parent institution, EU parent financial holding company or EU parent mixed financial holding company of the group that entity i is part of, calculated as follows:***

***null***

***where:***

***U-TREA = the un-floored total risk exposure amount calculated in accordance with paragraph 4 for that EU parent institution, EU parent financial holding company or EU parent mixed financial holding company on the basis of its consolidated situation;***

***TREA = the total risk exposure amount calculated in accordance with paragraph 3, point (a), for that EU parent institution, EU parent financial holding company or EU parent mixed financial holding company on the basis of its consolidated situation.***

***Contrib<sup>conso</sup><sub>i</sub> = the contribution of entity i, calculated as follows:***

***null***

where:

*j = the index that denotes all entities that are part of the same group as entity i for the consolidated situation of the EU parent institution, EU parent financial holding company or EU parent mixed financial holding company;*

*U-TREA<sub>j</sub> = the un-floored total risk exposure amount calculated by entity j in accordance with paragraph 4 on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, on its individual basis;*

*F-TREA<sub>j</sub> = the floored total risk exposure amount of entity j calculated on the basis of its consolidated situation as follows:*

*null*

where:

*F-TREA<sub>j</sub> = the floored total risk exposure amount calculated by entity j on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, for its individual basis;*

*S-TREA<sub>j</sub> = the standardised total risk exposure amount calculated in accordance with paragraph 5 by entity j on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, for its individual basis;*

*x = 72,5 %.*

Or. en

## **Amendment 635**

**Marek Belka**

### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point b**

Regulation (EU) No 575/2013

Article 92 – paragraph 6

6. ***The total risk exposure amount of an entity 'i' for the purposes set out in paragraph 3, point (b), shall be calculated as follows:*** *deleted*

*null*

*where:*

*i = the index that denotes the entity;*

*TREA<sub>i</sub> = the total risk exposure amount of entity i;*

*U-TREA<sub>i</sub> = the un-floored total risk exposure amount of entity i calculated in accordance with paragraph 4;*

*DI<sup>conso</sup> = any positive difference between the total risk exposure amount and the un-floored total risk exposure amount for the consolidated situation of the EU parent institution, EU parent financial holding company or EU parent mixed financial holding company of the group that entity i is part of, calculated as follows:*

*null*

*where:*

*U-TREA = the un-floored total risk exposure amount calculated in accordance with paragraph 4 for that EU parent institution, EU parent financial holding company or EU parent mixed financial holding company on the basis of its consolidated situation;*

*TREA = the total risk exposure amount calculated in accordance with paragraph 3, point (a), for that EU parent institution, EU parent financial holding company or EU parent mixed financial holding company on the basis of its consolidated situation.*

*Contrib<sup>conso</sup><sub>i</sub> = the contribution of entity i, calculated as follows:*

*null*



*where:*

*j = the index that denotes all entities that are part of the same group as entity i for the consolidated situation of the EU parent institution, EU parent financial holding company or EU parent mixed financial holding company;*

*U-TREA<sub>j</sub> = the un-floored total risk exposure amount calculated by entity j in accordance with paragraph 4 on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, on its individual basis;*

*F-TREA<sub>j</sub> = the floored total risk exposure amount of entity j calculated on the basis of its consolidated situation as follows:*

*null*

*where:*

*F-TREA<sub>j</sub> = the floored total risk exposure amount calculated by entity j on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, for its individual basis;*

*S-TREA<sub>j</sub> = the standardised total risk exposure amount calculated in accordance with paragraph 5 by entity j on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, for its individual basis;*

*x = 72,5 %.*

Or. en

#### *Justification*

*There is no good reason from a prudential or financial stability point of view to apply the output floor only on the consolidated level. The output floor is in the Commission proposal only imposed at the consolidated level of the international banking groups and not at the solo/subconso level of subsidiaries. This sets a dangerous precedent for Member states housing banks from other European Member states and can lead to undercapitalized subsidiaries. Especially since the banking union is not finished and we still don't have robust safeguards to replace the capital, liquidity and MREL buffers of local banks. It is therefore essential to maintain sufficient local buffers by applying the output floor at the solo/subconso*

level as well. Moreover, the main aim of the output floor is to address model risk and this risk has to be tackled at all levels. Up to now, banking standards have always been applied, for good reasons, for both the consolidated group and individual local banking subsidiaries.

## **Amendment 636**

**Ville Niinistö**

on behalf of the Verts/ALE Group

### **Proposal for a regulation**

#### **Article 1 – paragraph 1 – point 23 – point b**

Regulation (EU) No 575/2013

Article 92 – paragraph 6

*Text proposed by the Commission*

*Amendment*

**6. The total risk exposure amount of an entity ‘i’ for the purposes set out in paragraph 3, point (b), shall be calculated as follows:** **deleted**

**null**

**where:**

***i* = the index that denotes the entity;**

***TREA<sub>i</sub>* = the total risk exposure amount of entity *i*;**

***U-TREA<sub>i</sub>* = the un-floored total risk exposure amount of entity *i* calculated in accordance with paragraph 4;**

***DI<sup>cons</sup>* = any positive difference between the total risk exposure amount and the un-floored total risk exposure amount for the consolidated situation of the EU parent institution, EU parent financial holding company or EU parent mixed financial holding company of the group that entity *i* is part of, calculated as follows:**

**null**

**where:**

***U-TREA* = the un-floored total risk exposure amount calculated in accordance with paragraph 4 for that EU parent institution, EU parent financial holding company or EU parent mixed**

*financial holding company on the basis of its consolidated situation;*

*TREA = the total risk exposure amount calculated in accordance with paragraph 3, point (a), for that EU parent institution, EU parent financial holding company or EU parent mixed financial holding company on the basis of its consolidated situation.*

*Contrib<sup>conso</sup><sub>i</sub> = the contribution of entity i, calculated as follows:*

*null*

*where:*

*j = the index that denotes all entities that are part of the same group as entity i for the consolidated situation of the EU parent institution, EU parent financial holding company or EU parent mixed financial holding company;*

*U-TREA<sub>j</sub> = the un-floored total risk exposure amount calculated by entity j in accordance with paragraph 4 on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, on its individual basis;*

*F-TREA<sub>j</sub> = the floored total risk exposure amount of entity j calculated on the basis of its consolidated situation as follows:*

*null*

*where:*

*F-TREA<sub>j</sub> = the floored total risk exposure amount calculated by entity j on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, for its individual basis;*

*S-TREA<sub>j</sub> = the standardised total risk exposure amount calculated in accordance with paragraph 5 by entity j on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State,*

*for its individual basis;*

$x = 72,5 \%$ .

Or. en

**Amendment 637**

**Johan Van Overtveldt, Michiel Hoogeveen, Eugen Jurzyca**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point b**

Regulation (EU) No 575/2013

Article 92 – paragraph 6

*Text proposed by the Commission*

*Amendment*

**6. The total risk exposure amount of an entity ‘i’ for the purposes set out in paragraph 3, point (b), shall be calculated as follows:** *deleted*

*null*

*where:*

*i = the index that denotes the entity;*

*TREA<sub>i</sub> = the total risk exposure amount of entity i;*

*U-TREA<sub>i</sub> = the un-floored total risk exposure amount of entity i calculated in accordance with paragraph 4;*

*DI<sup>conso</sup> = any positive difference between the total risk exposure amount and the un-floored total risk exposure amount for the consolidated situation of the EU parent institution, EU parent financial holding company or EU parent mixed financial holding company of the group that entity i is part of, calculated as follows:*

*null*

*where:*

*U-TREA = the un-floored total risk exposure amount calculated in accordance with paragraph 4 for that EU parent institution, EU parent financial holding company or EU parent mixed financial holding company on the basis of*

*its consolidated situation;*

*TREA = the total risk exposure amount calculated in accordance with paragraph 3, point (a), for that EU parent institution, EU parent financial holding company or EU parent mixed financial holding company on the basis of its consolidated situation.*

*Contrib<sup>conso</sup><sub>i</sub> = the contribution of entity i, calculated as follows:*

*null*

*where:*

*j = the index that denotes all entities that are part of the same group as entity i for the consolidated situation of the EU parent institution, EU parent financial holding company or EU parent mixed financial holding company;*

*U-TREA<sub>j</sub> = the un-floored total risk exposure amount calculated by entity j in accordance with paragraph 4 on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, on its individual basis;*

*F-TREA<sub>j</sub> = the floored total risk exposure amount of entity j calculated on the basis of its consolidated situation as follows:*

*null*

*where:*

*F-TREA<sub>j</sub> = the floored total risk exposure amount calculated by entity j on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, for its individual basis;*

*S-TREA<sub>j</sub> = the standardised total risk exposure amount calculated in accordance with paragraph 5 by entity j on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, for its individual basis;*

$x = 72,5 \%$ .

Or. en

*Justification*

*From a prudential or financial stability point of view there is no good reason to apply the output floor only on the consolidated level. On the contrary: this sets a dangerous precedent for host Member States and can lead to undercapitalized subsidiaries. Sufficient local buffers should be maintained by applying the output floor at the solo/subconso level as well. EBA's impact studies moreover show that, apart from co-operative groups, such an approach does not lead to higher capital requirements and only to possibilities to shift the location of capital buffers within a group.*

**Amendment 638**  
**Christophe Hansen**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 23 – point b**  
Regulation (EU) No 575/2013  
Article 92 – paragraph 6

*Text proposed by the Commission*

*Amendment*

**6.** *The total risk exposure amount of an entity 'i' for the purposes set out in paragraph 3, point (b), shall be calculated as follows:* **deleted**

*null*

*where:*

*i = the index that denotes the entity;*

*TRE<sub>i</sub> = the total risk exposure amount of entity i;*

*U-TRE<sub>i</sub> = the un-floored total risk exposure amount of entity i calculated in accordance with paragraph 4;*

*DI<sup>conso</sup> = any positive difference between the total risk exposure amount and the un-floored total risk exposure amount for the consolidated situation of the EU parent institution, EU parent financial holding company or EU parent mixed financial holding company of the group that entity i is part of, calculated as follows:*

*null*

*where:*

*U-TREA = the un-floored total risk exposure amount calculated in accordance with paragraph 4 for that EU parent institution, EU parent financial holding company or EU parent mixed financial holding company on the basis of its consolidated situation;*

*TREA = the total risk exposure amount calculated in accordance with paragraph 3, point (a), for that EU parent institution, EU parent financial holding company or EU parent mixed financial holding company on the basis of its consolidated situation.*

*Contrib<sup>conso</sup><sub>i</sub> = the contribution of entity i, calculated as follows:*

*null*

*where:*

*j = the index that denotes all entities that are part of the same group as entity i for the consolidated situation of the EU parent institution, EU parent financial holding company or EU parent mixed financial holding company;*

*U-TREA<sub>j</sub> = the un-floored total risk exposure amount calculated by entity j in accordance with paragraph 4 on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, on its individual basis;*

*F-TREA<sub>j</sub> = the floored total risk exposure amount of entity j calculated on the basis of its consolidated situation as follows:*

*null*

*where:*

*F-TREA<sub>j</sub> = the floored total risk exposure amount calculated by entity j on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, for its*

*individual basis;*

*S-TREA<sub>j</sub> = the standardised total risk exposure amount calculated in accordance with paragraph 5 by entity j on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, for its individual basis;*

*x = 72,5 %.*

Or. en

### **Amendment 639**

**Danuta Maria Hübner**

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point b**

Regulation (EU) 575/2013

Article 92 – paragraph 6

*Text proposed by the Commission*

*Amendment*

**6. The total risk exposure amount of an entity ‘i’ for the purposes set out in paragraph 3, point (b), shall be calculated as follows:**

*deleted*

*null*

*where:*

*i = the index that denotes the entity;*

*TREA<sub>i</sub> = the total risk exposure amount of entity i;*

*U-TREA<sub>i</sub> = the un-floored total risk exposure amount of entity i calculated in accordance with paragraph 4;*

*DI<sup>conso</sup> = any positive difference between the total risk exposure amount and the un-floored total risk exposure amount for the consolidated situation of the EU parent institution, EU parent financial holding company or EU parent mixed financial holding company of the group that entity i is part of, calculated as follows:*

*null*



where:

***U-TREA = the un-floored total risk exposure amount calculated in accordance with paragraph 4 for that EU parent institution, EU parent financial holding company or EU parent mixed financial holding company on the basis of its consolidated situation;***

***TREA = the total risk exposure amount calculated in accordance with paragraph 3, point (a), for that EU parent institution, EU parent financial holding company or EU parent mixed financial holding company on the basis of its consolidated situation.***

***Contrib<sup>conso</sup><sub>i</sub> = the contribution of entity i, calculated as follows:***

***null***

where:

***j = the index that denotes all entities that are part of the same group as entity i for the consolidated situation of the EU parent institution, EU parent financial holding company or EU parent mixed financial holding company;***

***U-TREA<sub>j</sub> = the un-floored total risk exposure amount calculated by entity j in accordance with paragraph 4 on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, on its individual basis;***

***F-TREA<sub>j</sub> = the floored total risk exposure amount of entity j calculated on the basis of its consolidated situation as follows:***

***null***

where:

***F-TREA<sub>j</sub> = the floored total risk exposure amount calculated by entity j on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, for its individual basis;***

*S-TREA<sub>j</sub> = the standardised total risk exposure amount calculated in accordance with paragraph 5 by entity j on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, for its individual basis;*

*x = 72,5 %.*

Or. en

*Justification*

*Same as above.*

#### **Amendment 640**

**Gilles Boyer, Stéphanie Yon-Courtin, Olivier Chastel**

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point b**

Regulation (EU) No 575/2013

Article 92 – paragraph 6

*Text proposed by the Commission*

*Amendment*

**6. *The total risk exposure amount of an entity ‘i’ for the purposes set out in paragraph 3, point (b), shall be calculated as follows:*** ***deleted***

***null***

***where:***

***i = the index that denotes the entity;***

***TREA<sub>i</sub> = the total risk exposure amount of entity i;***

***U-TREA<sub>i</sub> = the un-floored total risk exposure amount of entity i calculated in accordance with paragraph 4;***

***DI<sup>conso</sup> = any positive difference between the total risk exposure amount and the un-floored total risk exposure amount for the consolidated situation of the EU parent institution, EU parent financial holding company or EU parent mixed financial holding company of the group that entity i is part of, calculated as***

*follows:*

*null*

*where:*

*U-TREA = the un-floored total risk exposure amount calculated in accordance with paragraph 4 for that EU parent institution, EU parent financial holding company or EU parent mixed financial holding company on the basis of its consolidated situation;*

*TREA = the total risk exposure amount calculated in accordance with paragraph 3, point (a), for that EU parent institution, EU parent financial holding company or EU parent mixed financial holding company on the basis of its consolidated situation.*

*Contrib<sup>conso</sup><sub>i</sub> = the contribution of entity i, calculated as follows:*

*null*

*where:*

*j = the index that denotes all entities that are part of the same group as entity i for the consolidated situation of the EU parent institution, EU parent financial holding company or EU parent mixed financial holding company;*

*U-TREA<sub>j</sub> = the un-floored total risk exposure amount calculated by entity j in accordance with paragraph 4 on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, on its individual basis;*

*F-TREA<sub>j</sub> = the floored total risk exposure amount of entity j calculated on the basis of its consolidated situation as follows:*

*null*

*where:*

*F-TREA<sub>j</sub> = the floored total risk exposure amount calculated by entity j on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary*

*institution in a Member State, for its individual basis;*

*S-TREA<sub>j</sub> = the standardised total risk exposure amount calculated in accordance with paragraph 5 by entity j on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, for its individual basis;*

*x = 72,5 %.*

Or. en

#### *Justification*

*Application of the Output Floor at the highest level of consolidation, in line with the Basel agreement and the ECB position.*

#### **Amendment 641**

**Dragoş Pîslaru**

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 23 – point b**

Regulation (EU) No 575/2013

Article 92 – paragraph 6

*Text proposed by the Commission*

*Amendment*

**6.      *The total risk exposure amount of an entity ‘i’ for the purposes set out in paragraph 3, point (b), shall be calculated as follows:***      *deleted*

*null*

*where:*

*i = the index that denotes the entity;*

*TREA<sub>i</sub> = the total risk exposure amount of entity i;*

*U-TREA<sub>i</sub> = the un-floored total risk exposure amount of entity i calculated in accordance with paragraph 4;*

*DI<sup>conso</sup> = any positive difference between the total risk exposure amount and the un-floored total risk exposure amount for the consolidated situation of the EU*

*parent institution, EU parent financial holding company or EU parent mixed financial holding company of the group that entity i is part of, calculated as follows:*

*null*

*where:*

*U-TREA = the un-floored total risk exposure amount calculated in accordance with paragraph 4 for that EU parent institution, EU parent financial holding company or EU parent mixed financial holding company on the basis of its consolidated situation;*

*TREA = the total risk exposure amount calculated in accordance with paragraph 3, point (a), for that EU parent institution, EU parent financial holding company or EU parent mixed financial holding company on the basis of its consolidated situation.*

*Contrib<sup>conso</sup><sub>i</sub> = the contribution of entity i, calculated as follows:*

*null*

*where:*

*j = the index that denotes all entities that are part of the same group as entity i for the consolidated situation of the EU parent institution, EU parent financial holding company or EU parent mixed financial holding company;*

*U-TREA<sub>j</sub> = the un-floored total risk exposure amount calculated by entity j in accordance with paragraph 4 on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, on its individual basis;*

*F-TREA<sub>j</sub> = the floored total risk exposure amount of entity j calculated on the basis of its consolidated situation as follows:*

*null*

*where:*

*F-TREA<sub>j</sub> = the floored total risk exposure amount calculated by entity j on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, for its individual basis;*

*S-TREA<sub>j</sub> = the standardised total risk exposure amount calculated in accordance with paragraph 5 by entity j on the basis of its consolidated situation or, in case entity j is a stand-alone subsidiary institution in a Member State, for its individual basis;*

*x = 72,5 %.*

Or. en

**Amendment 642**  
**Othmar Karas**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 23 – point b**  
Regulation (EU) No 575/2013  
Article 92 – paragraph 7a (new)

*Text proposed by the Commission*

*Amendment*

**7 a. A parent institution in a Member State, a parent financial holding company in a Member State or a parent mixed financial holding company in a Member State shall ensure that capital is adequately distributed amongst legal entities of a banking group from a risk perspective. Competent authorities shall, on at least an annual basis, test that individual banks are adequately capitalised on a stand-alone basis.**

Or. en

*Justification*

*The application of the output floor on the highest level of consolidation implies that institutions and competent authorities must ensure an adequate distribution of capital amongst legal entities of a banking group.*

**Amendment 643**  
**Jonás Fernández**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 23 a (new)**  
Regulation (EU) No 575/2013  
Article 92 a (new)

*Text proposed by the Commission*

*Amendment*

***(23 a) the following article is inserted:***

***Article 92 a***

***Level of application of the output floor***

***1. Institutions shall calculate the total risk weighted exposure amount referred to in Article 92(3) on an individual and on a consolidated basis in accordance with Part One, Title II of this Regulation.***

***2. The EBA shall assess the developments in the Union deposit guarantee framework and publish an opinion on whether the developments in such framework provides for the pooling of resources and for risk sharing at the EU level. The EBA shall publish the opinion referred to herein by 31 December 2027 and at least every three years thereafter until the EBA concludes that the Union deposit guarantee framework has reached a sufficient level of convergence for these purposes, having regard to all other relevant considerations in Union law.***

***3. Upon the EBA's publishing a positive opinion as per paragraph 3, the Commission may adopt a legislative proposal to amend the level of application set out in paragraphs 1 and 2 taking into consideration the following:***

***(a) institutions shall calculate the total risk weighted exposure amount referred to in Article 92(6) on the basis of the consolidated situation of the EU parent institution, EU parent financial holding company or the EU parent mixed financial holding company in accordance with Part One, Title II, Chapter 2 of this***

**Regulation;**

***(b) stand-alone institutions in the EU shall calculate the total risk weighted exposure amount referred to in Article 92(3) on an individual basis in accordance with Part One, Title II, Chapter 1 of this Regulation;***

Or. en

**Amendment 644**

**Ville Niinistö**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 26**

Regulation EU 575/2013

Article 104 – paragraph 1 – subparagraph 1a (new)

*Text proposed by the Commission*

*Amendment*

***An institution shall have in place an independent risk control unit which evaluates on a continuous basis the instruments in and outside the trading books and assess whether its instruments are being properly designated as trading or non-trading instruments.***

Or. en

**Amendment 645**

**Markus Ferber**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 26**

Directive 2013/36/EU

Article 104 – paragraph 2 – point g

*Text proposed by the Commission*

*Amendment*

(g) listed equities;

(g) listed equities, ***unless those equities are strategic holdings with an intended holding period of six years or longer; or the equities were not listed at the time of purchase;***

Or. en



**Amendment 646**  
**Danuta Maria Hübner**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 26**  
Regulation (EU) No 575/2013  
Article 104 – paragraph 2 – subparagraph 3

*Text proposed by the Commission*

For the purposes of point (i), an institution shall split the embedded option from its own liability or from the other instrument in the non-trading book that relate to credit or equity risk **and** shall assign, the own liability or the other instrument **to the trading or to** the non-trading book, **as appropriate, in accordance with this Article.**

*Amendment*

For the purposes of point (i), an institution shall split the embedded option from its own liability or from the other instrument in the non-trading book that relate to credit or equity risk. **It shall assign *the embedded option to the trading book and shall leave* the own liability or the other instrument *in* the non-trading book.**

Or. en

*Justification*

*In line with Basel, this amendment clarifies that the instrument from which the embedded option or derivative has been split, should remain in the non-trading book.*

**Amendment 647**  
**Linea Søgaard-Lidell, Nicola Beer, Engin Eroglu**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 27 – point a a (new)**  
Regulation (EU) No 575/2013  
Article 104a – paragraph 2 – subparagraph 1 a (new)

*Text proposed by the Commission*

*Amendment*

**(a a) in paragraph 2, the following subparagraph is inserted:**

***Internal transfers of positions between a well identified central treasury management desk and market making desk shall not be considered as reclassification of position if:***

***(a) the transfer of positions is done at***

*arm's length;*

*(b) the scope of the positions transferred is limited to assets eligible to liquidity buffer and financial instruments where such assets are the underlying instruments;*

*(c) positions transferred to treasury shall not have been held by the market making desk for a duration that exceeds the usual holding period of the market making desk set in line with Article 103.*

Or. en

#### *Justification*

*When central treasury buys or sells securities and financial instruments from one of its market making desks under the above conditions, it shall not be considered as a reclassification requiring regulator's approval or to justify exceptional circumstances. Indeed, ALM mandate derogation is motivated by operational simplification (avoid multiplication of market access), contribute to animate market making activity (would not disqualify internal clients), shall not be considered as regulatory arbitrage given the underlying considered (HQLA usually assume low risk weight) and constraint on holding period.*

#### **Amendment 648** **Gianna Gancia**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 30 – point a**  
Regulation (EU) No 575/2013  
Article 106 – paragraph 3

*Text proposed by the Commission*

(a) *in* paragraph 3, the last subparagraph is replaced by the following:

*Amendment*

*(a) paragraph 3 is replaced by the following:*

*3. Where an institution hedges a non-trading book credit risk exposure or counterparty risk exposure using a credit derivative booked in its trading book, that credit derivative position shall be recognised as an internal hedge of the non-trading book credit risk exposure or counterparty risk exposure for the purpose of calculating the risk-weighted exposure amounts referred to in point (a)*

*of Article 92(3) where the institution enters into another credit derivative transaction with an eligible third party protection provider that meets the requirements for unfunded credit protection in the non-trading book and fully offsets the long market credit risk position of the internal hedge.*

Both an internal hedge recognised in accordance with the first subparagraph and the credit derivative entered into with the third party shall be included in the trading book to calculate the own funds requirements for market risk. *To calculate the own funds requirements for market risk using the approach set out in Article 325(1), point (b), both positions shall be assigned to the same trading desk established in accordance to Article 104b(1) that manages similar risks.*

Both an internal hedge recognised in accordance with the first subparagraph and the credit derivative entered into with the third party shall be included in the trading book for the purpose of calculating the own funds requirements for market risk *such that credit risk over hedges and other market risks are capitalised.*

Or. en

**Amendment 649**  
**Gianna Gancia**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 30 – point b**  
Regulation (EU) No 575/2013  
Article 106 – paragraph 4

*Text proposed by the Commission*

(b) in paragraph 4, the last subparagraph is replaced by the following:

*Amendment*

*(b) paragraph 4 is replaced by the following:*

*4. Where an institution hedges a non-trading book equity risk exposure using an equity derivative booked in its trading book, that equity derivative position shall be recognised as an internal hedge of the non-trading book equity risk exposure for the purpose of calculating the risk-weighted exposure amounts referred to in point (a) of Article 92(3) where the institution enters into another equity derivative transaction with an eligible third party protection provider that meets the requirements for unfunded credit*

***protection in the non- trading book and fully offsets the long market equity risk position of the internal hedge.***

Both an internal hedge recognised in accordance with the first subparagraph and the equity derivative entered into with the eligible third party protection provider shall be included in the trading book for the purposes of calculating the own funds requirements for market risk. **For the purposes of calculating the own funds requirements for market risks using the approach set out in Article 325(1), point (b) both positions shall be assigned to the same trading desk established in accordance to Article 104b(1) that manages similar risks.**

Both an internal hedge recognised in accordance with the first subparagraph and the equity derivative entered into with the eligible third party protection provider shall be included in the trading book for the purpose of calculating the own funds requirements for market risk ***such that equity risk over hedges and other market risks are capitalised.***

Or. en

**Amendment 650**  
**Gianna Gancia**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 30 – point d**  
Regulation (EU) No 575/2013  
Article 106 – paragraph 5a

*Text proposed by the Commission*

*Amendment*

‘5a. For the purposes of paragraph 5, point (a), the institution may assign to that portfolio other interest rate risk positions entered into with third parties, or with its own trading book, as long as the institution ***perfectly*** offsets the market risk of those interest rate risk positions entered into with its own trading book by entering into opposite interest rate risk positions with third parties.

5a. For the purposes of paragraph 5, point (a), the institution may assign to that portfolio other interest rate risk positions entered into with third parties, or with its own trading book, as long as the institution ***fully*** offsets the market risk of those interest rate risk positions entered into with its own trading book by entering into opposite interest rate risk positions with thirdparties.

Or. en

**Amendment 651**  
**Gianna Gancia**

## **Proposal for a regulation**

### **Article 1 – paragraph 1 – point 30 – point d**

Regulation (EU) No 575/2013

Article 106 – paragraph 5b – point a

#### *Text proposed by the Commission*

(a) that trading desk may include other interest rate risk positions entered into with third parties or with other trading desks of the institution, as long as those positions meet the requirements for inclusion in the trading book referred to in Article 104 and those other trading desks *perfectly* offset the market risk of those other interest rate risk positions by entering into opposite interest rate risk positions with third parties;

#### *Amendment*

(a) that trading desk may include other interest rate risk positions entered into with third parties or with other trading desks of the institution, as long as those positions meet the requirements for inclusion in the trading book referred to in Article 104 and those other trading desks *fully* offset the market risk of those other interest rate risk positions by entering into opposite interest rate risk positions with third parties;

Or. en

## **Amendment 652**

**Gianna Gancia**

## **Proposal for a regulation**

### **Article 1 – paragraph 1 – point 30 – point e**

Regulation (EU) No 575/2013

Article 106 – paragraph 7 – point b

#### *Text proposed by the Commission*

(b) where the derivative position is subject to any of the requirements set out in Article 325c(2), points (b) or (c), or in Article 325e(1), point (c), the institution *perfectly* offsets the market risk of that derivative position by entering into opposite positions with third parties;

#### *Amendment*

(b) where the derivative position is subject to any of the requirements set out in Article 325c(2), points (b) or (c), or in Article 325e(1), point (c), the institution offsets the market risk of that derivative position by entering into opposite positions with third parties;

Or. en

## **Amendment 653**

**Marco Zanni, Antonio Maria Rinaldi, Valentino Grant**

## **Proposal for a regulation**

### **Article 1 – paragraph 1 – point 30 – point e**

Regulation (EU) No 575/2013  
Article 106 – paragraph 7 – point b

*Text proposed by the Commission*

(b) where the derivative position is subject to any of the requirements set out in Article 325c(2), points (b) or (c), or in Article 325e(1), point (c), the institution **perfectly** offsets the market risk of that derivative position by entering into opposite positions with third parties;

*Amendment*

(b) where the derivative position is subject to any of the requirements set out in Article 325c(2), points (b) or (c), or in Article 325e(1), point (c), the institution offsets the market risk of that derivative position by entering into opposite positions with third parties;

Or. en

#### **Amendment 654**

**Ville Niinistö**

on behalf of the Verts/ALE Group

#### **Proposal for a regulation**

##### **Article 1 – paragraph 1 – point 32**

Regulation (EU) No 575/2013

Article 108 – paragraph 3 – introductory part

*Text proposed by the Commission*

3. Subject to the conditions set out in paragraph 4, **retail** loans may be regarded as exposures secured by a mortgage on residential property, instead of being treated as guaranteed exposures, for the purposes of Part three, Title II, Chapters 2, 3 and 4 as applicable, where in a Member State the following conditions for those **retail** loans have been fulfilled:

*Amendment*

3. Subject to the conditions set out in paragraph 4, loans **to natural persons** may be regarded as exposures secured by a mortgage on residential property, instead of being treated as guaranteed exposures, for the purposes of Part three, Title II, Chapters 2, 3 and 4 as applicable, where in a Member State the following conditions for those loans have been fulfilled:

Or. en

#### **Amendment 655**

**Ville Niinistö**

on behalf of the Verts/ALE Group

#### **Proposal for a regulation**

##### **Article 1 – paragraph 1 – point 32**

Regulation (EU) No 575/2013

Article 108 – paragraph 3 – point b

*Text proposed by the Commission*

(b) the majority of loans to **individuals** for the purchase of residential properties in that Member State are guaranteed by a guarantor with a credit assessment by an nominated ECAI corresponding to a credit quality step of 1 or 2, that is required to repay the institution in full where the original borrower defaults;

*Amendment*

(b) the majority of loans to **natural persons** for the purchase of residential properties in that Member State are guaranteed by a guarantor with a credit assessment by an nominated ECAI corresponding to a credit quality step of 1 or 2, that is required to repay the institution in full where the original borrower defaults;

Or. en

**Amendment 656**

**Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Olivier Chastel**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 32**

Regulation (EU) No 575/2013

Article 108 – paragraph 4 – point c

*Text proposed by the Commission*

(c) there is no mortgage lien on the residential property when the loan is granted and the borrower is contractually committed not to grant any mortgage lien without the consent of the institution that originally granted the loan;

*Amendment*

(c) there is no mortgage lien on the residential property when the loan is granted and **for the loans granted from 1 January 2024** the borrower is contractually committed not to grant any mortgage lien without the consent of the institution that originally granted the loan;

Or. en

*Justification*

*The grandfathering introduced via CRR2 in art. 129(1)(e) for residential loans fully guaranteed by an eligible protection provider should be maintained.*

**Amendment 657**

**Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Olivier Chastel**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 32**

Regulation (EU) No 575/2013

Article 108 – paragraph 4 – point e

*Text proposed by the Commission*

*Amendment*

(e) the guarantor is an institution or a financial sector entity subject to capital requirements ***at least equivalent*** to those applicable to institutions or insurance undertakings;

(e) the guarantor is an institution or a financial sector entity subject to capital requirements ***comparable*** to those applicable to institutions or insurance undertakings;

Or. en

*Justification*

*Text faithful to Basel agreement rather than going further.*

**Amendment 658**

**Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Olivier Chastel**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 32**

Regulation (EU) No 575/2013

Article 108 – paragraph 4 – point f

*Text proposed by the Commission*

*Amendment*

(f) the guarantor has established a fully-funded mutual guarantee fund or equivalent protection for insurance undertakings to absorb credit risk losses, the calibration of which is periodically reviewed by its competent authority and is subject to ***yearly*** stress testing;

(f) the guarantor has established a fully-funded mutual guarantee fund or equivalent protection for insurance undertakings to absorb credit risk losses, the calibration of which is periodically reviewed by its competent authority and is subject to ***periodic*** stress testing, ***at least every two years***;

Or. en

*Justification*

*In its footnote 35, Basel only requires that a periodic stress testing is carried out. It is important that CRR does not go further than Basel requirements by introducing a yearly stress testing that could have an impact on current supervisory practices.*

**Amendment 659**

**Ville Niinistö**

on behalf of the Verts/ALE Group



**Proposal for a regulation**

**Article 1 – paragraph 1 – point 32**

Regulation (EU) No 575/2013

Article 108 – paragraph 4 – point h

*Text proposed by the Commission*

(h) the institution that decides to exercise the option provided for in paragraph 3 for a given eligible guarantor under the mechanism referred to in paragraph 3, shall do so for all its *retail* exposures guaranteed by that guarantor under that mechanism.;

*Amendment*

(h) the institution that decides to exercise the option provided for in paragraph 3 for a given eligible guarantor under the mechanism referred to in paragraph 3, shall do so for all its *natural persons* exposures guaranteed by that guarantor under that mechanism.;

Or. en

**Amendment 660**

**Engin Eroglu**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 34**

Regulation (EU) No 575/2013

Article 111 – paragraph 2 – point ea (new)

*Text proposed by the Commission*

*Amendment*

*(e a) 0% for items in bucket 6*

Or. en

**Amendment 661**

**Markus Ferber**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 34**

Regulation (EU) No 575/2013

Article 111 – Paragraph 2

*Text proposed by the Commission*

*Amendment*

*(e a) 0% for items in bucket 6.*

*(To be read in conjunction with the corresponding change in Annex I.)*

Or. en

**Amendment 662**  
**Engin Eroglu**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 34**  
575/2013  
Article 111 – paragraph 2a (new)

*Text proposed by the Commission*

*Amendment*

**2 a. By way of derogation from paragraph 2, unconditionally cancellable commitments in accordance with Article 5, point 10, shall be assigned a credit conversion factor of 0%.**

Or. en

*Justification*

*In the current framework, unconditionally cancellable commitments are assigned a conversion factor of 0%. Consequently, parts of the respective credit lines that have not yet been drawn by the client do not have to be backed by own funds. These credit lines are an essential instrument of financing corporates of all sizes. They provide flexible access to capital and liquidity that is more than ever needed in times of generally high investment needs on the one hand and increased uncertainty on the other hand.*

**Amendment 663**  
**Carlo Calenda**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 34**  
Regulation (EU) No 575/2013  
Article 111 – paragraph 4

*Text proposed by the Commission*

*Amendment*

**4. For contractual arrangements offered by an institution, but not yet accepted by the client, that would become commitments if accepted by the client, and contractual arrangements that would qualify as commitments but meet the conditions for not being treated as commitments, the percentage applicable to that type of contractual arrangement shall be that provided for in accordance with paragraph 2.** **deleted**

**Amendment 664**  
**Fabio Massimo Castaldo**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 34**  
Regulation (EU) No 575/2013  
Article 111 – paragraph 4

*Text proposed by the Commission*

*Amendment*

**4. For contractual arrangements offered by an institution, but not yet accepted by the client, that would become commitments if accepted by the client, and contractual arrangements that would qualify as commitments but meet the conditions for not being treated as commitments, the percentage applicable to that type of contractual arrangement shall be that provided for in accordance with paragraph 2.** *deleted*

**Amendment 665**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 34**  
Regulation (EU) No 575/2013  
Article 111 paragraph 4

*Text proposed by the Commission*

*Amendment*

**4. For contractual arrangements offered by an institution, but not yet accepted by the client, that would become commitments if accepted by the client, and contractual arrangements that would qualify as commitments but meet the conditions for not being treated as commitments, the percentage applicable to that type of contractual arrangement shall be that provided for in accordance with paragraph 2.** *deleted*

**Amendment 666**

**Marco Zanni, Antonio Maria Rinaldi, Valentino Grant**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 34**

Regulation (EU) No 575/2013

Article 111 paragraph 4

*Text proposed by the Commission*

*Amendment*

**4. For contractual arrangements offered by an institution, but not yet accepted by the client, that would become commitments if accepted by the client, and contractual arrangements that would qualify as commitments but meet the conditions for not being treated as commitments, the percentage applicable to that type of contractual arrangement shall be that provided for in accordance with paragraph 2.** *deleted*

Or. en

**Amendment 667**

**Gianna Gancia**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 34**

Regulation (EU) No 575/2013

Article 111 – paragraph 4

*Text proposed by the Commission*

*Amendment*

**4. For contractual arrangements offered by an institution, but not yet accepted by the client, that would become commitments if accepted by the client, and contractual arrangements that would qualify as commitments but meet the conditions for not being treated as commitments, the percentage applicable to that type of contractual arrangement shall be that provided for in accordance with paragraph 2.** *deleted*

**Amendment 668**  
**Raffaele Fitto**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 34**  
Regulation (EU) No 575/2013  
Article 111– paragraph 4

*Text proposed by the Commission*

*Amendment*

**4. For contractual arrangements offered by an institution, but not yet accepted by the client, that would become commitments if accepted by the client, and contractual arrangements that would qualify as commitments but meet the conditions for not being treated as commitments, the percentage applicable to that type of contractual arrangement shall be that provided for in accordance with paragraph 2.** **deleted**

**Amendment 669**  
**Markus Ferber**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 34**  
Regulation (EU) No 575/2013  
Article 111 – paragraph 4

*Text proposed by the Commission*

*Amendment*

**4. For contractual arrangements offered by an institution, but not yet accepted by the client, that would become commitments if accepted by the client, and contractual arrangements that would qualify as commitments but meet the conditions for not being treated as commitments, the percentage applicable to that type of contractual arrangement shall be that provided for in accordance with paragraph 2.** **deleted**

**Amendment 670**

**Engin Eroglu**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 34**

Regulation (EU) No 575/2013

Article 111 – paragraph 4

*Text proposed by the Commission*

*Amendment*

4. *For contractual arrangements offered by an institution, but not yet accepted by the client, that would become commitments if accepted by the client, and contractual arrangements that would qualify as commitments but meet the conditions for not being treated as commitments, the percentage applicable to that type of contractual arrangement shall be that provided for in accordance with paragraph 2.*

4. *deletion*

Or. en

**Amendment 671**

**Dorien Rookmaker**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 34**

Regulation (EU) No 575/2013

Article 111 – paragraph 4

*Text proposed by the Commission*

*Amendment*

4. For contractual arrangements offered by an institution, but not yet accepted by the client, that would become commitments if accepted by the client, *and* contractual arrangements that would qualify as commitments but meet the conditions for not being treated as commitments, the percentage applicable to that type of contractual arrangement shall be *that provided for in accordance with paragraph 2.*

4. For contractual arrangements offered by an institution, but not yet accepted by the client, that would become commitments if accepted by the client, *the percentage applicable shall be the one provided for in accordance with paragraph 2. For* contractual arrangements that would qualify as commitments but meet the conditions *specified in Article 5, point (9), second subparagraph,* for not being treated as commitments, the percentage applicable to that type of

contractual arrangement shall be 0 %.”

Or. en

### **Amendment 672**

**Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Olivier Chastel**

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 36 a (new)**

Regulation (EU) No 575/2013

Article 115 – paragraph 2 a new

*Text proposed by the Commission*

*Amendment*

***2a . Member States may decide to assign a risk weight of 10% to exposures to regional governments or local authorities that are not referred to in paragraph 2 and 4 and are denominated and funded in the domestic currency of that regional government and local authority.***

Or. en

*Justification*

*Introduce a Member State option to set risk weight for RGLA closer to their actual risk level under the SA-CR.*

### **Amendment 673**

**Ville Niinistö**

on behalf of the Verts/ALE Group

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 36 a (new)**

Regulation (EU) No 575/2013

Article 116 – paragraph 4 – subparagraph 1a (new)

*Text proposed by the Commission*

*Amendment*

***(36 a) in Article 116(4) the following subparagraph is added:***

***‘EBA shall maintain a publicly available database of all public-sector entities within the Union which relevant competent authorities consider as having no difference in risk as exposures to the***

*central government, regional government  
or local authority in whose jurisdiction  
the public-sector entity is established'*

Or. en

**Amendment 674**

**Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Olivier Chastel**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 36 b (new)**

Regulation (EU) No 575/2013

Article 116 – paragraph 4 a new

*Text proposed by the Commission*

*Amendment*

***4a. Member States may decide to assign a risk weight of 10% to exposures to public sector entities of the Member States that are denominated and funded in the domestic currency of that public sector entity, unless the treatments set out in paragraph 4 apply.***

Or. en

*Justification*

*Introduce a Member State option to set risk weight for PSE closer to their actual risk level under the SA-CR.*

**Amendment 675**

**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 38**

Regulation (EU) No 575/2013

Article 120 – paragraph 2 – introductory part

*Text proposed by the Commission*

*Amendment*

2. Exposures with ***an original*** maturity of three months or less for which a credit assessment by a nominated ECAI is available and exposures which arise from the movement of goods across national borders with an ***original*** maturity of ***six months*** or less and for which a credit

2. Exposures with ***a residual*** maturity of three months or less for which a credit assessment by a nominated ECAI is available and exposures which arise from the movement of goods across national borders ***Trade Finance exposures as referred to Article 4(1), point (80)*** with an



assessment by a nominated ECAI is available, shall be assigned a risk weight in accordance with Table 4 which corresponds to the credit assessment of the ECAI in accordance with Article 136.

*residual* maturity of **one year** or less and for which a credit assessment by a nominated ECAI is available, shall be assigned a risk weight in accordance with Table 4 which corresponds to the credit assessment of the ECAI in accordance with Article 136.

Or. en

## **Amendment 676**

**Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Olivier Chastel**

### **Proposal for a regulation**

#### **Article 1 – paragraph 1 – point 38**

Regulation (EU) No 575/2013

Article 120 – paragraph 2 – introductory part

#### *Text proposed by the Commission*

2. Exposures with ***an original*** maturity of three months or less for which a credit assessment by a nominated ECAI is available and exposures which arise from the movement of goods across national borders with ***an original*** maturity of six months or less and for which a credit assessment by a nominated ECAI is available, shall be assigned a risk weight in accordance with Table 4 which corresponds to the credit assessment of the ECAI in accordance with Article 136.

#### *Amendment*

2. Exposures with ***a residual*** maturity of three months or less for which a credit assessment by a nominated ECAI is available and exposures which arise from the movement of goods across national borders with ***a residual*** maturity of six months or less and for which a credit assessment by a nominated ECAI is available, shall be assigned a risk weight in accordance with Table 4 which corresponds to the credit assessment of the ECAI in accordance with Article 136.

Or. en

#### *Justification*

*To characterise short-term exposures to institutions, it is more relevant prudentially to use the residual maturity than the original maturity. This was agreed during the CRR2 negotiations and should not be reopened.*

## **Amendment 677**

**José Manuel García-Margallo y Marfil**

### **Proposal for a regulation**

#### **Article 1 – paragraph 1 – point 38 a (new)**

Regulation (EU) No 575/2013

Article 120 – paragraph 3

3. The interaction between the treatment of short term credit assessment under Article 131 and the general preferential treatment for short term exposures set out in paragraph 2 shall be as follows:

(a) If there is no short-term exposure assessment, the general preferential treatment for short-term exposures as specified in paragraph 2 shall apply to all exposures to institutions of up to three months residual maturity;

(b) If there is a short-term assessment and such an assessment determines the application of a more favourable or identical risk weight than the use of the general preferential treatment for short-term exposures, as specified in paragraph 2, then the short-term assessment **shall** be used for that specific exposure only. Other short-term exposures shall follow the general preferential treatment for short-term exposures, as specified in paragraph 2;

(c) If there is a short-term assessment and such an assessment determines a less favourable risk weight than the use of the general preferential treatment for short-term exposures, as specified in paragraph 2, then the general preferential treatment for short-term exposures shall not be used **and all unrated short-term claims shall be assigned the same risk weight as that applied by the specific short-term assessment.**

**(38 a) in Article 120, paragraph 3 is replaced by the following:**

"3. The interaction between the treatment of short term credit assessment under Article 131 and the general preferential treatment for short term exposures set out in paragraph 2 shall be as follows:

(a) If there is no short-term exposure assessment, the general preferential treatment for short-term exposures as specified in paragraph 2 shall apply to all exposures to institutions of up to three months residual maturity;

(b) If there is a short-term assessment and such an assessment determines the application of a more favourable or identical risk weight than the use of the general preferential treatment for short-term exposures, as specified in paragraph 2, then the short-term assessment **may** be used for that specific exposure only. Other short-term exposures shall follow the general preferential treatment for short-term exposures, as specified in paragraph 2;

(c) If there is a short-term assessment and such an assessment determines a less favourable risk weight than the use of the general preferential treatment for short-term exposures, as specified in paragraph 2, then the general preferential treatment for short-term exposures shall not be used **for that specific exposure.**

"

Or. en

(Regulation 575/2013)

**Amendment 678**  
**Markus Ferber**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 39**

Regulation (EU) No 575/2013

Article 121 – paragraph 1 – point a – point ii

*Text proposed by the Commission*

(ii) the institution meets or exceeds the requirement laid down in Article 92(1), the specific own funds requirements referred to in Article 104a of Directive 2013/36/EU, the combined buffer requirement defined in Article 128, point (6), of Directive 2013/36/EU **and** any equivalent or additional local supervisory or regulatory requirements in third countries, insofar as those requirements are **published** and are to be met by Common Equity Tier 1 capital, Tier 1 capital or own funds;

*Amendment*

(ii) the institution meets or exceeds the requirement laid down in Article 92(1), **the requirements referred to in Articles 458(2)(d)(i), 458(2)(d)(vi) and 459(a)**, the specific own funds requirements referred to in Article 104a of Directive 2013/36/EU, the combined buffer requirement defined in Article 128, point (6), of Directive 2013/36/EU **or** any equivalent or additional local supervisory or regulatory requirements in third countries, insofar as those requirements are **applicable to that institution** and are to be met by Common Equity Tier 1 capital, Tier 1 capital or own funds, **as applicable, or where exposures to a financial institution shall be treated as exposures to an institution according to Article 119(5), any comparable prudential requirements.**

Or. en

*Justification*

*Allows for an equal treatment of non-banks which are under an equivalent regulatory regime.*

**Amendment 679**  
**Othmar Karas**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 39**

Regulation (EU) No 575/2013

Article 121 – paragraph 1 – point a – point ii

*Text proposed by the Commission*

(ii) the institution meets or exceeds the requirement laid down in Article 92(1), the

*Amendment*

(ii) the institution meets or exceeds the requirement laid down in Article 92(1), **the**

specific own funds requirements referred to in Article 104a of Directive 2013/36/EU, the combined buffer requirement defined in Article 128, point (6), of Directive 2013/36/EU **and** any equivalent or additional local supervisory or regulatory requirements in third countries, insofar as those requirements are published and are to be met by Common Equity Tier 1 capital, Tier 1 capital or own funds;

**requirements referred to in Articles 458(2)(d)(i), 458(2)(d)(vi) and 459(a)**, the specific own funds requirements referred to in Article 104a of Directive 2013/36/EU, the combined buffer requirement defined in Article 128, point (6), of Directive 2013/36/EU **or** any equivalent or additional local supervisory or regulatory requirements in third countries, insofar as those requirements are published and are to be met by Common Equity Tier 1 capital, Tier 1 capital or own funds, **or where exposures to a financial institution shall be treated as exposures to an institution according to Article 119(5), any comparable prudential requirements corresponding to Grade A**;

Or. en

#### *Justification*

*This amendment aims to include unrated institutions pursuant to Article 119(5), such as leasing firms, in this new mechanism to the corresponding Grade A and Grade B classification respectively.*

#### **Amendment 680** **Markus Ferber**

#### **Proposal for a regulation**

#### **Article 1 – paragraph 1 – point 39**

Regulation (EU) No 575/2013

Article 121 – paragraph 1 – point b – point ii

#### *Text proposed by the Commission*

(ii) the institution meets or exceeds the requirement laid down in Article 92(1), the requirements referred to in Articles **458 and 459**, the specific own funds requirements referred to in Article 104a of Directive 2013/36/EU **and** any equivalent or additional local supervisory or regulatory requirements insofar as those requirements are **published** and are to be met by Common Equity Tier 1 capital, Tier 1 capital **and** own funds;

#### *Amendment*

(ii) the institution meets or exceeds the requirement laid down in Article 92(1), the requirements referred to in Articles **458(2)(d)(i), 458(2)(d)(vi) and 459(a)**, the specific own funds requirements referred to in Article 104a of Directive 2013/36/EU, **the combined buffer requirement defined in Article 128, point (6), of Directive 2013/36/EU** or any equivalent or additional local supervisory or regulatory requirements **in third countries**, insofar as those requirements are **applicable to that**

*institution* and are to be met by Common Equity Tier 1 capital, Tier 1 capital *or* own funds, *as applicable, or where exposures to a financial institution shall be treated as exposures to an institution according to Article 119(5), any comparable prudential requirements.*

Or. en

*Justification*

*Allows for an equal treatment of non-banks which are under an equivalent regulatory regime.*

**Amendment 681**

**Othmar Karas**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 39**

Regulation (EU) No 575/2013

Article 121 – paragraph 1 – point b – point ii

*Text proposed by the Commission*

(ii) the institution meets or exceeds the requirement laid down in Article 92(1), the requirements referred to in **Articles 458 and 459**, the specific own funds requirements referred to in Article 104a of Directive 2013/36/EU **and** any equivalent or additional local supervisory or regulatory requirements insofar as those requirements are published and are to be met by Common Equity Tier 1 capital, Tier 1 capital **and** own funds;

*Amendment*

(ii) the institution meets or exceeds the requirement laid down in Article 92(1), the requirements referred to in **Article 459(a)**, the specific own funds requirements referred to in Article 104a of Directive 2013/36/EU **or** any equivalent or additional local supervisory or regulatory requirements **in third countries**, insofar as those requirements are published and are to be met by Common Equity Tier 1 capital, Tier 1 capital **or** own funds, **or where exposures to a financial institution shall be treated as exposures to an institution according to Article 119(5), any comparable prudential requirements corresponding to Grade B;**

Or. en

*Justification*

*This amendment aims to include unrated institutions pursuant to Article 119(5), such as leasing firms, in this new mechanism to the corresponding Grade A and Grade B classification respectively.*

## Amendment 682

José Manuel García-Margallo y Marfil

### Proposal for a regulation

#### Article 1 – paragraph 1 – point 39

Regulation (EU) No 575/2013

Article 121 – paragraph 2 – point a – point i

*Text proposed by the Commission*

(i) the exposure has ***an original*** maturity of three months or less;

*Amendment*

(i) the exposure has ***a residual*** maturity of three months or less;

Or. en

## Amendment 683

José Manuel García-Margallo y Marfil

### Proposal for a regulation

#### Article 1 – paragraph 1 – point 39

Regulation (EU) No 575/2013

Article 121 – paragraph 2 – point a – point ii

*Text proposed by the Commission*

(ii) the exposure has ***an original*** maturity of ***six months*** or less and ***arises from the movement of goods across national borders.***

*Amendment*

(ii) the exposure has ***a residual*** maturity of ***one year*** or less and ***is a trade finance exposure as referred to in Article 4(1), point (80).***

Or. en

## Amendment 684

Ville Niinistö

on behalf of the Verts/ALE Group

### Proposal for a regulation

#### Article 1 – paragraph 1 – point 39

Regulation (EU) No 575/2013

Article 121 – paragraph 2 – table 5

*Text proposed by the Commission*

Table 5

Credit risk  
assessment

Grade A

Grade B

Grade C

Risk weight for short-term exposures	20 %	50 %	75 %
Risk weight	40 %	75 %	150 %

*Amendment*

Table 5

Credit risk assessment	Grade A	Grade B	Grade C
Risk weight for short-term exposures	20 %	50 %	<b>100 %</b>
Risk weight	40 %	75 %	150 %

Or. en

**Amendment 685**

**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 40 – point a a (new)**

Regulation (EU) No 575/2013

Article 122 – paragraph 1 a (new)

*Text proposed by the Commission*

*Amendment*

***1a. Exposures with a residual maturity of three months or less for which a credit assessment by a nominated ECAI is available and trade finance exposures as referred to Article 4(1), point (80) with a residual maturity of one year or less and for which a credit assessment by a nominated ECAI is available, shall be assigned a risk weight in accordance with Table 4 which corresponds to the credit assessment of the ECAI in accordance with Article 136.***

Or. en

## **Amendment 686**

**Ville Niinistö**

on behalf of the Verts/ALE Group

### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 40 – point b**

Regulation (EU) No 575/2013

Article 122 – paragraph 2

*Text proposed by the Commission*

Exposures for which such a credit assessment is not available shall be assigned a risk weight of 100 %;

*Amendment*

Exposures for which such a credit assessment is not available shall be assigned a risk weight of 100 % ***except for exposures to SMEs as defined in Article 5 point (8) which shall be assigned a risk weight of 85% ;***

Or. en

## **Amendment 687**

**Johan Van Overtveldt, Michiel Hoogeveen, Eugen Jurzyca**

### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 40 – point b**

Regulation (EU) No 575/2013

Article 122 – paragraph 2

*Text proposed by the Commission*

Exposures for which such a credit assessment is not available shall be assigned a risk weight of 100 %;

*Amendment*

Exposures for which such a credit assessment is not available shall be assigned a risk weight of 100 %, ***except for exposures to SMEs as defined in Article 5 point (8) which shall be assigned a risk weight of 85%;***

Or. en

### *Justification*

*To avoid that European banking standards stand out as negative outliers in a global perspective, the EP should follow the call for more Basel compliance expressed by the ECB in its opinion. Full consistency with the empirical calibration under the final Basel III standards can be best achieved by replacing the separate SME supporting factor by an 85% risk weight that applies directly to non-retail exposures to unrated SMEs under the Standardised Approach, as part of the risk weights for unrated corporates exposures according to Article 122(2) of the CRR.*



**Amendment 688**  
**Carlo Calenda**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 40 – point b a (new)**

Regulation (EU) No 575/2013

Article 122 – paragraph 2 a (new)

*Text proposed by the Commission*

*Amendment*

***(b a ) the following paragraph is added:***

***2a. By way of derogation from paragraph 2, exposures under the standardised approach due to not-real estate leases granted by an institution to corporate borrowers against the payment of periodic contractual payment shall be assigned a risk weight of 70%, provided that all the following conditions are met:***

***a) the lessor performs a complete credit risk assessment process comprising lessees, subject of leases and their relative suppliers;***

***b) the lessor retains the legal ownership of the leased asset throughout the life of the contract;***

***c) the lessor has the right to carry out on-site inspections/access;***

***d) the leased assets are instrumental to the exercise of the borrower's economic activities.***

Or. en

**Amendment 689**

**Marco Zanni, Antonio Maria Rinaldi, Valentino Grant**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 40 – point b a (new)**

Regulation (EU) No 575/2013

Article 122 – paragraph 2 a (new)

*Text proposed by the Commission*

*Amendment*

***(ba) the following paragraph is added:***

***2a. By way of derogation from paragraph***

*2, exposures under the standardised approach due to not-real estate leases granted by an institution to corporate borrowers against the payment of periodic contractual payments shall be assigned a risk weight of 70%, provided that all the following conditions are met:*

*a) the lessor performs a complete credit risk assessment process comprising lessees, subject of leases and their relative suppliers;*

*b) the lessor retains the legal ownership of the leased asset throughout the life of the contract;*

*c) the lessor has the right to carry out on-site inspections/access;*

*d) the leased assets are instrumental to the exercise of the borrower's economic activities;*

Or. en

## **Amendment 690**

**Raffaele Fitto**

### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 40 – point b a (new)**

Regulation (EU) No 575/2013

Article 122 – paragraph 2a (new)

*Text proposed by the Commission*

*Amendment*

*(b a) the following paragraph is added:*

*2a. By way of derogation from paragraph 2, exposures under the standardised approach due to not-real estate leases granted by an institution to corporate borrowers against the payment of periodic contractual payments shall be assigned a risk weight of 70%, provided that all the following conditions are met:*

*a) the lessor performs a complete credit risk assessment process comprising lessees, subject of leases and their relative suppliers;*

*b) the lessor retains the legal ownership of the leased asset throughout the life of the contract;*

*c) the lessor has the right to carry out on-site inspections/access;*

*d) the leased assets are instrumental to the exercise of the borrower's economic activities.*

Or. en

## **Amendment 691**

**Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello**

### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 40 – point b a (new)**

Regulation (EU) No 575/2013

Article 122 – paragraph 2 a (new)

*Text proposed by the Commission*

*Amendment*

*(b a) the following paragraph is added:*

*2a. By way of derogation from paragraph 2, exposures under the standardised approach due to not-real estate leases granted by an institution to corporate borrowers against the payment of periodic contractual payments shall be assigned a risk weight of 70%, provided that all the following conditions are met:*

*a) the lessor performs a complete credit risk assessment process comprising lessees, subject of leases and their relative suppliers;*

*b) the lessor retains the legal ownership of the leased asset throughout the life of the contract;*

*c) the lessor has the right to carry out on-site inspections/access;*

*d) the leased assets are instrumental to the exercise of the borrower's economic activities.*

Or. en

**Amendment 692**  
**Fabio Massimo Castaldo**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 40 – point b a (new)** Regulation (EU) No 575/2013

Article 122 – paragraph 2 a (new)

*Text proposed by the Commission*

*Amendment*

**(b a) the following paragraph is added:**

**2a. By way of derogation from paragraph 2, exposures under the standardised approach due to not-real estate leases granted by an institution to corporate borrowers against the payment of periodic contractual payments shall be assigned a risk weight of 70%, provided that all the following conditions are met:**

**a) the lessor performs a complete credit risk assessment process comprising lessees, subject of leases and their relative suppliers;**

**b) the lessor retains the legal ownership of the leased asset throughout the life of the contract;**

**c) the lessor has the right to carry out on-site inspections/access;**

**d) the leased assets are instrumental to the exercise of the borrower's economic activities.**

Or. en

**Amendment 693**  
**Gianna Gancia**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 40 – point b a (new)**

Regulation (EU) No 575/2013

Art 122 – paragraph 2a (new)

*Text proposed by the Commission*

*Amendment*

**(b a) the following paragraph is added:**

**2a. By way of derogation from paragraph**

*2, exposures under the standardised approach due to not-real estate leases granted by an institution to corporate borrowers against the payment of periodic contractual payments shall be assigned a risk weight of 70%, provided that all the following conditions are met:*

*a) the lessor performs a complete credit risk assessment process comprising lessees, subject of leases and their relative suppliers;*

*b) the lessor retains the legal ownership of the leased asset throughout the life of the contract;*

*c) the lessor has the right to carry out on-site inspections/access;*

*d) the leased assets are instrumental to the exercise of the borrower's economic activities.*

Or. en

#### **Amendment 694**

**Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Olivier Chastel**

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Article 122a – paragraph 1 – point b

*Text proposed by the Commission*

(b) the exposure is ***not secured by immovable property or otherwise*** related to the financing of real estate ;

*Amendment*

(b) the exposure is related to the financing of real estate ***and is within the definitions of object finance, project finance or commodities finance exposures laid down in paragraph 3;***

Or. en

#### *Justification*

*Alignment with the Basel standards (paragraph 44, first bullet point). A number of project finance transactions include pledge over the assets/security over immovable property. The purpose of the provision is not to exclude such project but rather to exclude the real estate financing.*

**Amendment 695****Ville Niinistö**

on behalf of the Verts/ALE Group

**Proposal for a regulation****article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Article 122a – paragraph 2 – table 6aa

*Text proposed by the Commission*

	Table 6aa				
Credit quality Step	1	2	3	4	5
Risk Weight	20 %	50 %	75 %	100 %	150 %

*Amendment*

	Table 6aa					
Credit quality Step	1	2	3	4	5	<b>6</b>
Risk Weight	20 %	50 %	75 %	100 %	150 %	<b>150%</b>

Or. en

**Amendment 696****Luis Garicano, Esther de Lange, Caroline Nagtegaal, Luděk Niedermayer****Proposal for a regulation****Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Article 122a – paragraph 3 – point a – introductory part

*Text proposed by the Commission*

(a) where the purpose of a specialised lending exposure is to finance the acquisition of physical assets, including ships, aircraft, satellites, railcars, and

*Amendment*

(a) where the purpose of a specialised lending exposure is to finance the acquisition of physical assets, including ships, aircraft, satellites, railcars, and

fleets, and the income to be generated by those assets comes in the form of cash flows generated by the specific physical assets that have been financed and pledged or assigned to the lender *by one or several third parties* ('object finance exposures'), institutions shall apply *the following risk weights*:

fleets, and the income to be generated by those assets comes in the form of cash flows generated by the specific physical assets that have been financed and pledged or assigned to the lender ('object finance exposures'), institutions shall apply *a risk weight of 100%*.

Or. en

*Justification*

*Suggested by the ECB*

**Amendment 697**

**Ville Niinistö**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Article 122a – paragraph 3 – point a – introductory part

*Text proposed by the Commission*

(a) where the purpose of a specialised lending exposure is to finance the acquisition of physical assets, including ships, aircraft, satellites, railcars, and fleets, and the income to be generated by those assets comes in the form of cash flows generated by the specific physical assets that have been financed and pledged or assigned to the lender *by one or several third parties* ('object finance exposures'), institutions shall apply *the following risk weights*:

*Amendment*

(a) where the purpose of a specialised lending exposure is to finance the acquisition of physical assets, including ships, aircraft, satellites, railcars, and fleets, and the income to be generated by those assets comes in the form of cash flows generated by the specific physical assets that have been financed and pledged or assigned to the lender ('object finance exposures'), institutions shall apply *a risk weight of 100%*.

Or. en

**Amendment 698**

**Danuta Maria Hübner**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Article 122a – paragraph 3 – point a – introductory part

*Text proposed by the Commission*

*Amendment*

(a) where the purpose of a specialised lending exposure is to finance the acquisition of physical assets, including ships, aircraft, satellites, railcars, and fleets, and the income to be generated by those assets comes in the form of cash flows generated by the specific physical assets that have been financed and pledged or assigned to the lender by one or several third parties ('object finance exposures'), institutions shall apply ***the following risk weights***:

(a) where the purpose of a specialised lending exposure is to finance the acquisition of physical assets, including ships, aircraft, satellites, railcars, and fleets, and the income to be generated by those assets comes in the form of cash flows generated by the specific physical assets that have been financed and pledged or assigned to the lender by one or several third parties ('object finance exposures'), institutions shall apply ***a risk weight of 100%***:

Or. en

*Justification*

*An 80% risk weight for 'high quality' object finance exposures is not compliant with the Basel III standards, because CRE20.51(1) requires a 100% risk weight for all object finance exposures under the Standardised Approach for credit risk. Not complying with this requirement is also not justifiable by the criteria for being 'high quality' set out in Article 122a(3)(a)(i) of the CRR. Several of these criteria rely on an institution's own judgements, by using terms like 'adequate', 'conservative', 'low refinancing risk', 'has restrictions', 'properly managed'. Relying on internal assessments of an institution conflicts with the very purpose of the Standardised Approach because, unlike for the IRB slotting approach, the institution has not demonstrated its ability to assess these criteria to the satisfaction of the competent authority.*

**Amendment 699**

**Johan Van Overtveldt, Michiel Hoogeveen, Eugen Jurzyca**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation (EU) No

Article 122a – paragraph 3 – point a – introductory part

*Text proposed by the Commission*

*Amendment*

(a) where the purpose of a specialised lending exposure is to finance the acquisition of physical assets, including ships, aircraft, satellites, railcars, and fleets, and the income to be generated by those assets comes in the form of cash flows generated by the specific physical

(a) where the purpose of a specialised lending exposure is to finance the acquisition of physical assets, including ships, aircraft, satellites, railcars, and fleets, and the income to be generated by those assets comes in the form of cash flows generated by the specific physical



assets that have been financed and pledged or assigned to the lender by one or several third parties ('object finance exposures'), institutions shall apply **the following risk weights:**

assets that have been financed and pledged or assigned to the lender by one or several third parties ('object finance exposures'), institutions shall apply **a risk weight of 100%.**

Or. en

#### *Justification*

*There is no evidence that would justify a lower risk weight for high quality object finance.*

### **Amendment 700**

**Danuta Maria Hübner**

#### **Proposal for a regulation**

##### **Article 1 – paragraph 1 – point 41**

Regulation (EU) 575/2013

Article 122a – paragraph 3 – point a – point i

#### *Text proposed by the Commission*

#### *Amendment*

**(i) 80 % where the exposure is deemed to be high quality when taking into account all of the following criteria:**

**deleted**

— **the obligor can meet its financial obligations even under severely stressed conditions due to the presence of all of the following features:**

— **adequate exposure-to-value of the exposure;**

— **conservative repayment profile of the exposure;**

— **commensurate remaining lifetime of the assets upon full pay-out of the exposure or alternatively recourse to a protection provider with high creditworthiness;**

— **low refinancing risk of the exposure by the obligor or that risk is adequately mitigated by a commensurate residual asset value or recourse to a protection provider with high creditworthiness;**

— **the obligor has contractual**

*restrictions over its activity and funding structure;*

- *the obligor uses derivatives only for risk-mitigation purposes;*
- *material operating risks are properly managed;*
- *the contractual arrangements on the assets provide lenders with a high degree of protection including the following features:*
  - *the lenders have a legally enforceable first-ranking right over the assets financed, and, where applicable, over the income that they generate;*
  - *there are contractual restrictions on the ability of the obligor to change anything to the asset which would have a negative impact on its value;*
  - *where the asset is under construction, the lenders have a legally enforceable first-ranking right over the assets and the underlying construction contracts;*
  - *the assets being financed meet all of the following standards to operate in a sound and effective manner:*
    - *the technology and design of the asset are tested;*
    - *all necessary permits and authorisations for the operation of the assets have been obtained;*
    - *where the asset is under construction, the obligor has adequate safeguards on the agreed specifications, budget and completion date of the asset, including strong completion guarantees or the involvement of an experienced constructor and adequate contract provisions for liquidated damages;*

Or. en

#### *Justification*

*An 80% risk weight for 'high quality' object finance exposures is not compliant with the Basel*

*III standards, because CRE20.51(1) requires a 100% risk weight for all object finance exposures under the Standardised Approach for credit risk. Not complying with this requirement is also not justifiable by the criteria for being ‘high quality’ set out in Article 122a(3)(a)(i) of the CRR. Several of these criteria rely on an institution’s own judgements, by using terms like ‘adequate’, ‘conservative’, ‘low refinancing risk’, ‘has restrictions’, ‘properly managed’. Relying on internal assessments of an institution conflicts with the very purpose of the Standardised Approach because, unlike for the IRB slotting approach, the institution has not demonstrated its ability to assess these criteria to the satisfaction of the competent authority.*

## **Amendment 701**

**Ville Niinistö**

on behalf of the Verts/ALE Group

### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation EU 575/2013

Article 122a – paragraph 3 – point a – point i

*Text proposed by the Commission*

*Amendment*

- (i) 80 % where the exposure is deemed to be high quality when taking into account all of the following criteria:**
- the obligor can meet its financial obligations even under severely stressed conditions due to the presence of all of the following features:**
    - adequate exposure-to-value of the exposure;**
    - conservative repayment profile of the exposure;**
    - commensurate remaining lifetime of the assets upon full pay-out of the exposure or alternatively recourse to a protection provider with high creditworthiness;**
    - low refinancing risk of the exposure by the obligor or that risk is adequately mitigated by a commensurate residual asset value or recourse to a protection provider with high creditworthiness;**
  - the obligor has contractual**
- deleted**

*restrictions over its activity and funding structure;*

- *the obligor uses derivatives only for risk-mitigation purposes;*
- *material operating risks are properly managed;*
- *the contractual arrangements on the assets provide lenders with a high degree of protection including the following features:*
  - *the lenders have a legally enforceable first-ranking right over the assets financed, and, where applicable, over the income that they generate;*
  - *there are contractual restrictions on the ability of the obligor to change anything to the asset which would have a negative impact on its value;*
  - *where the asset is under construction, the lenders have a legally enforceable first-ranking right over the assets and the underlying construction contracts;*
  - *the assets being financed meet all of the following standards to operate in a sound and effective manner:*
    - *the technology and design of the asset are tested;*
    - *all necessary permits and authorisations for the operation of the assets have been obtained;*
    - *where the asset is under construction, the obligor has adequate safeguards on the agreed specifications, budget and completion date of the asset, including strong completion guarantees or the involvement of an experienced constructor and adequate contract provisions for liquidated damages;*

Or. en

#### **Amendment 702**

**Luis Garicano, Esther de Lange, Caroline Nagtegaal, Luděk Niedermayer**

## Proposal for a regulation

### Article 1 – paragraph 1 – point 41

Regulation (EU) No 575/2013

Article 122a – paragraph 3 – point a – point i

*Text proposed by the Commission*

*Amendment*

**(i) 80 % where the exposure is deemed to be high quality when taking into account all of the following criteria:** **deleted**

— ***the obligor can meet its financial obligations even under severely stressed conditions due to the presence of all of the following features:***

— ***adequate exposure-to-value of the exposure;***

— ***conservative repayment profile of the exposure;***

— ***commensurate remaining lifetime of the assets upon full pay-out of the exposure or alternatively recourse to a protection provider with high creditworthiness;***

— ***low refinancing risk of the exposure by the obligor or that risk is adequately mitigated by a commensurate residual asset value or recourse to a protection provider with high creditworthiness;***

— ***the obligor has contractual restrictions over its activity and funding structure;***

— ***the obligor uses derivatives only for risk-mitigation purposes;***

— ***material operating risks are properly managed;***

— ***the contractual arrangements on the assets provide lenders with a high degree of protection including the following features:***

— ***the lenders have a legally enforceable first-ranking right over the assets financed, and, where applicable,***

*over the income that they generate;*

— *there are contractual restrictions on the ability of the obligor to change anything to the asset which would have a negative impact on its value;*

— *where the asset is under construction, the lenders have a legally enforceable first-ranking right over the assets and the underlying construction contracts;*

— *the assets being financed meet all of the following standards to operate in a sound and effective manner:*

— *the technology and design of the asset are tested;*

— *all necessary permits and authorisations for the operation of the assets have been obtained;*

— *where the asset is under construction, the obligor has adequate safeguards on the agreed specifications, budget and completion date of the asset, including strong completion guarantees or the involvement of an experienced constructor and adequate contract provisions for liquidated damages;*

Or. en

#### *Justification*

*Suggested by the ECB*

#### **Amendment 703**

**Johan Van Overtveldt, Michiel Hoogeveen, Eugen Jurzyca**

#### **Proposal for a regulation**

#### **Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Article 122a – paragraph 3 – point a – point i

*Text proposed by the Commission*

*Amendment*

**(i) 80 % where the exposure is deemed to be high quality when taking**

**deleted**

*into account all of the following criteria:*

— *the obligor can meet its financial obligations even under severely stressed conditions due to the presence of all of the following features:*

— *adequate exposure-to-value of the exposure;*

— *conservative repayment profile of the exposure;*

— *commensurate remaining lifetime of the assets upon full pay-out of the exposure or alternatively recourse to a protection provider with high creditworthiness;*

— *low refinancing risk of the exposure by the obligor or that risk is adequately mitigated by a commensurate residual asset value or recourse to a protection provider with high creditworthiness;*

— *the obligor has contractual restrictions over its activity and funding structure;*

— *the obligor uses derivatives only for risk-mitigation purposes;*

— *material operating risks are properly managed;*

— *the contractual arrangements on the assets provide lenders with a high degree of protection including the following features:*

— *the lenders have a legally enforceable first-ranking right over the assets financed, and, where applicable, over the income that they generate;*

— *there are contractual restrictions on the ability of the obligor to change anything to the asset which would have a negative impact on its value;*

— *where the asset is under construction, the lenders have a legally enforceable first-ranking right over the assets and the underlying construction*

*contracts;*

— *the assets being financed meet all of the following standards to operate in a sound and effective manner:*

— *the technology and design of the asset are tested;*

— *all necessary permits and authorisations for the operation of the assets have been obtained;*

— *where the asset is under construction, the obligor has adequate safeguards on the agreed specifications, budget and completion date of the asset, including strong completion guarantees or the involvement of an experienced constructor and adequate contract provisions for liquidated damages;*

Or. en

*Justification*

*There is no evidence that would justify a lower risk weight for high quality object finance.*

**Amendment 704**

**Othmar Karas**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Article 122a – paragraph 3 – point a – point i – introductory part

*Text proposed by the Commission*

*Amendment*

(i) **80** % where the exposure is deemed to be high quality when taking into account all of the following criteria:

(i) **60** % where the exposure is deemed to be high quality when taking into account all of the following criteria:

Or. en

*Justification*

*This amendment aims to lower the risk weight to 60% for object finance exposures that meet rigorous criteria that classifies them as high quality.*



**Amendment 705**  
**Markus Ferber**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation 575/2013

Article 122a – Paragraph 3 – point a – point i – introductory part

*Text proposed by the Commission*

*Amendment*

(i) **80 %** where the exposure is deemed to be high quality when taking into account all of the following criteria:

(i) **75 %** where the exposure is deemed to be high quality when taking into account all of the following criteria:

Or. en

**Amendment 706**

**Ville Niinistö**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation EU 575/2013

Article 122a – paragraph 3 – point a – point ii

*Text proposed by the Commission*

*Amendment*

(ii) **100 % where the exposure is not deemed to be high quality as referred to in point (i);**

**deleted**

Or. en

**Amendment 707**

**Luis Garicano, Esther de Lange, Caroline Nagtegaal, Luděk Niedermayer**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Article 122a – paragraph 3 – point a – point ii

*Text proposed by the Commission*

*Amendment*

(ii) **100 % where the exposure is not deemed to be high quality as referred to in point (i);**

**deleted**

Or. en

*Justification*

*Suggested by the ECB*

**Amendment 708**

**Johan Van Overtveldt, Michiel Hoogeveen, Eugen Jurzyca**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Article 122a – paragraph 3 – point a – point ii

*Text proposed by the Commission*

*Amendment*

**(ii) 100 % where the exposure is not deemed to be high quality as referred to in point (i);** **deleted**

Or. en

*Justification*

*There is no evidence that would justify a lower risk weight for high quality object finance.*

**Amendment 709**

**Danuta Maria Hübner**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation (EU) 575/2013

Article 122a – paragraph 3 – point a – point ii

*Text proposed by the Commission*

*Amendment*

**(ii) 100 % where the exposure is not deemed to be high quality as referred to in point (i);** **deleted**

Or. en

*Justification*

*An 80% risk weight for 'high quality' object finance exposures is not compliant with the Basel III standards, because CRE20.51(1) requires a 100% risk weight for all object finance exposures under the Standardised Approach for credit risk. Not complying with this requirement is also not justifiable by the criteria for being 'high quality' set out in Article 122a(3)(a)(i) of the CRR. Several of these criteria rely on an institution's own judgements, by*

using terms like 'adequate', 'conservative', 'low refinancing risk', 'has restrictions', 'properly managed'. Relying on internal assessments of an institution conflicts with the very purpose of the Standardised Approach because, unlike for the IRB slotting approach, the institution has not demonstrated its ability to assess these criteria to the satisfaction of the competent authority.

#### **Amendment 710**

**Marco Zanni, Antonio Maria Rinaldi, Valentino Grant**

#### **Proposal for a regulation**

##### **Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Article 122a – paragraph 3 – point b

#### *Text proposed by the Commission*

(b) where the purpose of a specialised lending exposure is to provide for short-term financing of *reserves*, inventories or receivables of *exchange-traded* commodities, including crude oil, metals, or *crops*, and the income to be generated by those *reserves*, inventories or receivables is to be the proceeds from the sale of the commodity ('commodities finance exposures'), institutions shall apply a risk weight of 100 %;

#### *Amendment*

(b) where the purpose of a specialised lending exposure is to provide for short-term financing of , inventories or receivables of *liquidity traded* commodities, including crude oil, metals, or *soft commodities*, and the income to be generated by those, inventories or receivables is to be the proceeds from the sale of the commodity ('commodities finance exposures'), institutions shall apply a risk weight of 100 %;

Or. en

#### **Amendment 711**

**Gianna Gancia**

#### **Proposal for a regulation**

##### **Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Article 122a – paragraph 3 – point b

#### *Text proposed by the Commission*

(b) where the purpose of a specialised lending exposure is to provide for short-term financing of *reserves*, inventories or receivables of *exchange-traded* commodities, including crude oil, metals, or *crops*, and the income to be generated by those *reserves*, inventories or

#### *Amendment*

(b) where the purpose of a specialised lending exposure is to provide for short-term financing of inventories or receivables of *liquidly traded* commodities, including crude oil, metals, or *soft commodities*, and the income to be generated by those inventories or receivables is to be the

receivables is to be the proceeds from the sale of the commodity ('commodities finance exposures'), institutions shall apply a risk weight of 100 %;

proceeds from the sale of the commodity ('commodities finance exposures'), institutions shall apply a risk weight of 100 %;

Or. en

**Amendment 712**  
**Carlo Calenda**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 41**  
Regulation (EU) 575/2013  
Article 122a – paragraph 3 – point b

*Text proposed by the Commission*

(b) where the purpose of a specialised lending exposure is to provide for short-term financing of *reserves*, inventories or receivables of *exchange-traded* commodities, including crude oil, metals, or *crops*, and the income to be generated by those *reserves*, inventories or receivables is to be the proceeds from the sale of the commodity ('commodities finance exposures'), institutions shall apply a risk weight of 100 %;

*Amendment*

(b) where the purpose of a specialised lending exposure is to provide for short-term financing of inventories or receivables of *liquidly traded* commodities, including crude oil, metals, or *soft commodities*, and the income to be generated by those inventories or receivables is to be the proceeds from the sale of the commodity ('commodities finance exposures'), institutions shall apply a risk weight of 100 %;

Or. en

**Amendment 713**  
**Fabio Massimo Castaldo**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 41**  
Regulation (EU) No 575/2013  
Article 122a – paragraph 3 – point b

*Text proposed by the Commission*

(b) where the purpose of a specialised lending exposure is to provide for short-term financing of *reserves*, inventories or receivables of *exchange-traded* commodities, including crude oil, metals, or *crops*, and the income to be generated by those *reserves*, inventories or

*Amendment*

(b) where the purpose of a specialised lending exposure is to provide for short-term financing of inventories or receivables of *liquidly traded* commodities, including crude oil, metals, or *soft commodities*, and the income to be generated by those inventories or receivables is to be the

receivables is to be the proceeds from the sale of the commodity ('commodities finance exposures'), institutions shall apply a risk weight of 100 %;

proceeds from the sale of the commodity ('commodities finance exposures'), institutions shall apply a risk weight of 100 %;

Or. en

#### **Amendment 714**

**Ville Niinistö**

on behalf of the Verts/ALE Group

#### **Proposal for a regulation**

##### **Article 1 – paragraph 1 – point 41**

Regulation EU 575/2013

Article 122a – paragraph 3 – point c – introductory part

#### *Text proposed by the Commission*

(c) where the purpose of a specialised lending exposure is to finance a project for the development or acquisition of large, complex and expensive installations, including power plants, chemical processing plants, mines, transportation infrastructure, environment, and telecommunications infrastructure, and the income to be generated by the project is the money generated by the contracts for the output of the installation obtained from one or several parties which are not under management control of the sponsor ('project finance exposures'), institutions shall apply the following risk weights:

#### *Amendment*

(c) where the purpose of a specialised lending exposure is to finance a **single project, either in the form of construction of a new capital installation or refinancing of an existing installation, with or without improvements, in particular projects** for the development or acquisition of large, complex and expensive installations, including power plants, chemical processing plants, mines, transportation infrastructure, environment, and telecommunications infrastructure, and the income to be generated by the project is the money generated by the contracts for the output of the installation obtained from one or several parties which are not under management control of the sponsor ('project finance exposures'), institutions shall apply the following risk weights:

Or. en

#### **Amendment 715**

**Danuta Maria Hübner**

#### **Proposal for a regulation**

##### **Article 1 – paragraph 1 – point 41**

Regulation (EU) 575/2013

Article 122a – paragraph 3 – point c – introductory part

*Text proposed by the Commission*

(c) where the purpose of a specialised lending exposure is to finance a project for the development or acquisition of large, complex and expensive installations, including power plants, chemical processing plants, mines, transportation infrastructure, environment, and telecommunications infrastructure, and the income to be generated by the project **is the money generated by the contracts for the output of the installation obtained from one or several parties which are not under management control of the sponsor** ('project finance exposures'), institutions shall apply the following risk weights:

*Amendment*

(c) where the purpose of a specialised lending exposure is to finance a **single** project, **either in the form of construction of a new capital installation or refinancing of an existing installation, with or without improvements, in particular projects** for the development or acquisition of large, complex and expensive installations, including power plants, chemical processing plants, mines, transportation infrastructure, environment, and telecommunications infrastructure, and the income to be generated by the **financed** project **serves both as the primary source of repayment and as security** for the **loan** ('project finance exposures'), institutions shall apply the following risk weights:

Or. en

*Justification*

*The current formulation would be non-compliant with the Basel III standards, as the fact that the generated income for a financed project is obtained from parties under management control of a sponsor does not justify exempting that financed project from the definition of project finance exposures. It is also necessary to define 'project finance exposures' using the same general criteria as CRE20.49(1) of the Basel III standards, which defines 'project finance' as 'the method of funding in which the lender looks primarily to the revenues generated by a single project, both as the source of repayment and as security for the loan.'*

**Amendment 716**

**Luis Garicano, Esther de Lange, Caroline Nagtegaal, Luděk Niedermayer**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Article 122a – paragraph 3 – point c – introductory part

*Text proposed by the Commission*

(c) where the purpose of a specialised lending exposure is to finance a project for the development or acquisition of large, complex and expensive installations, including power plants, chemical

*Amendment*

(c) where the purpose of a specialised lending exposure is to finance a **single** project, **either in the form of construction of a new capital installation or refinancing of an existing installation,**

processing plants, mines, transportation infrastructure, environment, and telecommunications infrastructure, and the income to be generated by the project **is the money generated by the contracts for the output of the installation obtained from one or several parties which are not under management control of the sponsor** ('project finance exposures'), institutions shall apply the following risk weights:

**with or without improvements, in particular projects** for the development or acquisition of large, complex and expensive installations, including power plants, chemical processing plants, mines, transportation infrastructure, environment, and telecommunications infrastructure, and the income to be generated by the **financed project serves both as the primary source of repayment and as security** for the **loan** ('project finance exposures'), institutions shall apply the following risk weights:

Or. en

### *Justification*

*Suggested by the ECB*

#### **Amendment 717**

**Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Olivier Chastel**

#### **Proposal for a regulation**

#### **Article 1 – paragraph 1 – point 41**

Regulation (EU) 575/2013

Article 122a – paragraph 3 – point c – introductory part

#### *Text proposed by the Commission*

(c) where the purpose of a specialised lending exposure is to finance a project for the development or acquisition of large, complex and expensive installations, including power plants, chemical processing plants, mines, transportation infrastructure, environment, and telecommunications infrastructure, **and the income to be generated by the project is the money generated by the contracts for the output of the installation obtained from one or several parties which are not under management control of the sponsor** ('project finance exposures'), institutions shall apply the following risk weights:

#### *Amendment*

(c) where the purpose of a specialised lending exposure is to finance a project for the development or acquisition of large, complex and expensive installations, including power plants, chemical processing plants, mines, transportation infrastructure, environment, and telecommunications infrastructure, **in which the lender looks primarily to the revenues generated by the project, both as the source of repayment and as security** for the **loan** ('project finance exposures'), institutions shall apply the following risk weights:

Or. en

*Justification*

*Alignment to the Basel standards (paragraph 45 point (i) of the finalised Basel 3 document)*

**Amendment 718**

**Marco Zanni, Antonio Maria Rinaldi, Valentino Grant**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Article 122a – paragraph 3 – point c – point i

*Text proposed by the Commission*

(i) **130** % where the project to which the exposure is related is in the pre-operational phase;

*Amendment*

(i) **110** % where the project to which the exposure is related is in the pre-operational phase;

Or. en

**Amendment 719**

**Carlo Calenda**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation (EU) 575/2013

Article 122a – paragraph 3 – point c – point i

*Text proposed by the Commission*

(i) **130** % where the project to which the exposure is related is in the pre-operational phase;

*Amendment*

(i) **110** % where the project to which the exposure is related is in the pre-operational phase;

Or. en

**Amendment 720**

**Fabio Massimo Castaldo**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Article 122a – paragraph 3 – point c – point i

*Text proposed by the Commission*

(i) **130** % where the project to which

*Amendment*

(i) **110** % where the project to which



the exposure is related is in the pre-operational phase;

the exposure is related is in the pre-operational phase;

Or. en

### **Amendment 721**

**Gianna Gancia**

#### **Proposal for a regulation**

##### **Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Art 122a – paragraph 3 – point c – point i

#### *Text proposed by the Commission*

(i) **130** % where the project to which the exposure is related is in the pre-operational phase;

#### *Amendment*

(i) **110** % where the project to which the exposure is related is in the pre-operational phase;

Or. en

### **Amendment 722**

**Ville Niinistö**

on behalf of the Verts/ALE Group

#### **Proposal for a regulation**

##### **Article 1 – paragraph 1 – point 41**

Regulation EU 575/2013

Article 122a – paragraph 3 – point c – point ii – introductory part

#### *Text proposed by the Commission*

(ii) ***provided that the adjustment to own funds requirements for credit risk referred to in Article 501a is not applied,*** 80 % where the project to which the exposure is related is in the operational phase and the exposure meets all of the following criteria:

#### *Amendment*

(ii) 80 % where the project to which the exposure is related is in the operational phase and the exposure meets all of the following criteria:

Or. en

### **Amendment 723**

**Danuta Maria Hübner**

#### **Proposal for a regulation**

##### **Article 1 – paragraph 1 – point 41**

Regulation (EU) 575/2013

Article 122a – paragraph 3 – point c – point ii – introductory part

*Text proposed by the Commission*

*Amendment*

(ii) ***provided that the adjustment to own funds requirements for credit risk referred to in Article 501a is not applied,***  
80 % where the project to which the exposure is related is in the operational phase and the exposure meets all of the following criteria:

(ii) 80 % where the project to which the exposure is related is in the operational phase and the exposure meets all of the following criteria:

Or. en

*Justification*

*The cross reference to Article 501a of the CRR should be deleted as a consequence of the proposed deletion of Article 501a in later amendments. Several of the criteria for 'high quality' project financing deviate materially from the criteria required by CRE20.52 of the Basel III standards. These criteria should be aligned with the criteria for 'high quality project finance' for which the Basel III standards allow an 80% risk weight. Amendments 19 to 24 aligns these criteria with the Basel text.*

#### **Amendment 724**

**José Manuel García-Margallo y Marfil**

#### **Proposal for a regulation**

#### **Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Article 122 a – paragraph 3 – point c – point ii – introductory part

*Text proposed by the Commission*

*Amendment*

(ii) ***provided that the adjustment to own funds requirements for credit risk referred to in Article 501a is not applied,***  
80 % where the project to which the exposure is related is in the operational phase and the exposure meets all of the following criteria:

(ii) 80 % where the project to which the exposure is related is in the operational phase and the exposure meets all of the following criteria:

Or. en

#### **Amendment 725**

**Carlo Calenda**

## Proposal for a regulation

### Article 1 – paragraph 1 – point 41

Regulation (EU) 575/2013

Article 122a – paragraph 3 – point c – point ii – indent 2

#### *Text proposed by the Commission*

— the obligor has sufficient reserve funds fully funded in cash, or other financial arrangements, with **highly** rated guarantors to cover the contingency funding and working capital requirements over the lifetime of the project being financed;

#### *Amendment*

— the obligor has sufficient reserve funds fully funded in cash, or other financial arrangements, with **guarantors with an ECAI rating with a credit quality step of at least 3, or, if not externally rated, are assigned with a rating equivalent to a step 3 or higher with the bank validated internal rating model** guarantors to cover the contingency funding and working capital requirements over the lifetime of the project being financed;

Or. en

## Amendment 726

Gianna Gancia

## Proposal for a regulation

### Article 1 – paragraph 1 – point 41

Regulation (EU) No 575/2013

Art 122a – paragraph 3 – point c – point ii – indent 2

#### *Text proposed by the Commission*

— the obligor has sufficient reserve funds fully funded in cash, or other financial arrangements, with **highly rated** guarantors to cover the contingency funding and working capital requirements over the lifetime of the project being financed;

#### *Amendment*

— the obligor has sufficient reserve funds fully funded in cash, or other financial arrangements, with guarantors **with an ECAI rating with a credit quality step of at least 3, or, if not externally rated, are assigned with a rating equivalent to a step 3 or higher with the bank validated internal rating model** to cover the contingency funding and working capital requirements over the lifetime of the project being financed;

Or. en

## Amendment 727

Marco Zanni, Antonio Maria Rinaldi, Valentino Grant

## Proposal for a regulation

### Article 1 – paragraph 1 – point 41

Regulation (EU) No 575/2013

Article 122a – paragraph 3 – point c – point ii – indent 2

#### *Text proposed by the Commission*

— the obligor has sufficient reserve funds fully funded in cash, or other financial arrangements, with **highly rated** guarantors to cover the contingency funding and working capital requirements over the lifetime of the project being financed;

#### *Amendment*

— the obligor has sufficient reserve funds fully funded in cash, or other financial arrangements, with guarantors **with an ECAI rating with a credit quality step of at least 3, or, if not externally rated, are assigned with a rating equivalent to a step 3 or higher with the bank validated internal rating model** to cover the contingency funding and working capital requirements over the lifetime of the project being financed;

Or. en

## Amendment 728

Fabio Massimo Castaldo

## Proposal for a regulation

### Article 1 – paragraph 1 – point 41

Regulation (EU) No 575/2013

Article 122 – paragraph 3 – point c – point ii – indent 2

#### *Text proposed by the Commission*

— the obligor has sufficient reserve funds fully funded in cash, or other financial arrangements, with **highly rated** guarantors to cover the contingency funding and working capital requirements over the lifetime of the project being financed;

#### *Amendment*

— the obligor has sufficient reserve funds fully funded in cash, or other financial arrangements, with guarantors **with an ECAI rating with a credit quality step of at least 3, or, if not externally rated, are assigned with a rating equivalent to a step 3 or higher with the bank validated internal rating model** to cover the contingency funding and working capital requirements over the lifetime of the project being financed;

Or. en

## Amendment 729

Danuta Maria Hübner

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation (EU) 575/2013

Article 122a – paragraph 3 – point c – point ii – indent 2

*Text proposed by the Commission*

— the obligor has sufficient reserve funds fully funded in cash, or other financial arrangements, **with highly rated guarantors** to cover the contingency funding and working capital requirements over the lifetime of the project being financed;

*Amendment*

— the obligor has sufficient reserve funds fully funded in cash, or other financial arrangements to cover the contingency funding and working capital requirements over the lifetime of the project being financed;

Or. en

**Amendment 730**

**Ville Niinistö**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation EU 575/2013

Article 122a – paragraph 3 – point c – point ii – indent 2

*Text proposed by the Commission*

— the obligor has sufficient reserve funds fully funded in cash, or other financial arrangements, **with highly rated guarantors** to cover the contingency funding and working capital requirements over the lifetime of the project being financed;

*Amendment*

— the obligor has sufficient reserve funds fully funded in cash, or other financial arrangements to cover the contingency funding and working capital requirements over the lifetime of the project being financed;

Or. en

**Amendment 731**

**Danuta Maria Hübner**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation (EU) 575/2013

Article 122a – paragraph 3 – point c – point ii – indent 3

*Text proposed by the Commission*

— the obligor **generates cash flows that are predictable and cover all future loan repayments**;

*Amendment*

— **the income generated by the financed project is availability-based or subject to a rate-of-return regulation or take-or-pay contract; for this purpose "availability-based" means that, once construction is completed, the obligor is entitled, as long as contract conditions are fulfilled, to payments from its contractual counterparties which cover operating and maintenance costs, debt service costs and equity returns as the obligor operates the project, and these payments are not subject to swings in demand, such as traffic levels, and are adjusted typically only for lack of performance or lack of availability of the asset to the public**;

Or. en

#### **Amendment 732**

**Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Olivier Chastel**

#### **Proposal for a regulation**

#### **Article 1 – paragraph 1 – point 41**

Regulation (EU) 575/2013

Article 122a – paragraph 3 – point c – point ii – indent 3

*Text proposed by the Commission*

— the obligor generates cash flows that are predictable and cover all future loan repayments;

*Amendment*

— the obligor generates cash flows that are predictable and cover all future loan repayments, **including possible repayments with cashflows generated over the remaining asset life**;

Or. en

#### *Justification*

*The analysis should be made on the basis of the whole asset life (ie the project life), with cash flows over the residual asset life after maturity covering the balloon repayment if any, in order to account for any refinancing of the operation.*

#### **Amendment 733**

**Ville Niinistö**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation EU 575/2013

Article 122a – paragraph 3 – point c – point ii – indent 3

*Text proposed by the Commission*

— the **obligor** generates cash flows that are predictable and cover all future loan repayments;

*Amendment*

— the **financed project** generates cash flows that are predictable and cover all future loan repayments;

Or. en

**Amendment 734**

**Carlo Calenda**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

R UE 575/2013

Article 122a – paragraph 3 – point c – point ii – indent 4 – introductory part

*Text proposed by the Commission*

— the source of repayment of the obligation depends on one main counterparty and that main counterparty is one of the following:

*Amendment*

— **where the revenues of the obligor are not funded by payments from a large number of users**, the source of repayment of the obligation depends on one main counterparty and that main counterparty is one of the following:

Or. en

**Amendment 735**

**Gianna Gancia**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Art 122a – paragraph 3 – point c – point ii – indent 4 – introductory part

*Text proposed by the Commission*

— the source of repayment of the obligation depends on one main counterparty and that main counterparty is one of the following:

*Amendment*

— **where the revenues of the obligor are not funded by payments from a large number of users**, the source of repayment of the obligation depends on one main

counterparty and that main counterparty is one of the following:

Or. en

**Amendment 736**

**Marco Zanni, Antonio Maria Rinaldi, Valentino Grant**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Article 122a – paragraph 3 – point c – point ii – indent 4 – introductory part

*Text proposed by the Commission*

— the source of repayment of the obligation depends on one main counterparty and that main counterparty is one of the following:

*Amendment*

— ***where the revenues of the obligor are not funded by payments from a large number of users***, the source of repayment of the obligation depends on one main counterparty and that main counterparty is one of the following:

Or. en

**Amendment 737**

**Fabio Massimo Castaldo**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Article 122a – paragraph 3 – point c – point ii – indent 4 – introductory part

*Text proposed by the Commission*

— the source of repayment of the obligation depends on one main counterparty and that main counterparty is one of the following:

*Amendment*

— ***where the revenues of the obligor are not funded by payments from a large number of users***, the source of repayment of the obligation depends on one main counterparty and that main counterparty is one of the following:

Or. en

**Amendment 738**

**Carlo Calenda**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**



Regulation (EU) 575/2013

Article 122a – paragraph 3 – point c – point ii – indent 4 – indent 2

*Text proposed by the Commission*

— a public sector entity, provided that that entity is assigned a risk weight of 20 % or below in accordance with Article 116, or is assigned an ECAI rating with a credit quality step of at least 3;

*Amendment*

— a public sector entity, provided that that entity is assigned a risk weight of 20 % or below in accordance with Article 116, or is assigned an ECAI rating with a credit quality step of at least 3, ***or, if not externally rated, are assigned with a rating equivalent to a step 3 or higher with the bank validated internal rating model;***

Or. en

### **Amendment 739**

**Marco Zanni, Antonio Maria Rinaldi, Valentino Grant**

#### **Proposal for a regulation**

##### **Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Article 122a – paragraph 3 – point c – point ii – indent 4 – indent 2

*Text proposed by the Commission*

— a public sector entity, provided that that entity is assigned a risk weight of 20 % or below in accordance with Article 116, or is assigned an ECAI rating with a credit quality step of at least 3;

*Amendment*

— a public sector entity, provided that that entity is assigned a risk weight of 20 % or below in accordance with Article 116, or is assigned an ECAI rating with a credit quality step of at least 3, ***or, if not externally rated, are assigned with a rating equivalent to a step 3 or higher with the bank validated internal rating model;***

Or. en

### **Amendment 740**

**Gianna Gancia**

#### **Proposal for a regulation**

##### **Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Art 122a – paragraph 3 – point c – point ii – indent 4 – indent 2

*Text proposed by the Commission*

— a public sector entity, provided that that entity is assigned a risk weight of 20 % or below in accordance with Article 116, or is assigned an ECAI rating with a credit quality step of at least 3;

*Amendment*

— a public sector entity, provided that that entity is assigned a risk weight of 20 % or below in accordance with Article 116, or is assigned an ECAI rating with a credit quality step of at least 3, ***or, if not externally rated, are assigned with a rating equivalent to a step 3 or higher with the bank validated internal rating model;***

Or. en

**Amendment 741**

**Fabio Massimo Castaldo**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Article 122a – paragraph 3 – point c – point ii – indent 4 – indent 2

*Text proposed by the Commission*

— a public sector entity, provided that that entity is assigned a risk weight of 20 % or below in accordance with Article 116, or is assigned an ECAI rating with a credit quality step of at least 3;

*Amendment*

— a public sector entity, provided that that entity is assigned a risk weight of 20 % or below in accordance with Article 116, or is assigned an ECAI rating with a credit quality step of at least 3, ***or, if not externally rated, are assigned with a rating equivalent to a step 3 or higher with the bank validated internal rating model;***

Or. en

**Amendment 742**

**Carlo Calenda**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

R UE 575/2013

Article 122a – paragraph 3 point c – point ii – indent 4 – indent 3

*Text proposed by the Commission*

— a corporate entity which has been

*Amendment*

— a corporate entity which has been

assigned an ECAI rating with a credit quality step of at least 3.

assigned an ECAI rating with a credit quality step of at least 3, ***or, if not externally rated, are assigned with a rating equivalent to a step 3 or higher with the bank validated internal rating model.***

***• an entity that is replaceable without a significant change in the level and timing of revenues.***

Or. en

### **Amendment 743**

**Fabio Massimo Castaldo**

#### **Proposal for a regulation**

##### **Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Article 122a – paragraph 3 – point c – point ii – indent 4 – indent 3

#### *Text proposed by the Commission*

— a corporate entity which has been assigned an ECAI rating with a credit quality step of at least 3.

#### *Amendment*

— a corporate entity which has been assigned an ECAI rating with a credit quality step of at least 3, ***or, if not externally rated, are assigned with a rating equivalent to a step 3 or higher with the bank validated internal rating model;***

Or. en

### **Amendment 744**

**Gianna Gancia**

#### **Proposal for a regulation**

##### **Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Art 122a – paragraph 3 – point c – point ii – indent 4 – indent 3

#### *Text proposed by the Commission*

— a corporate entity which has been assigned an ECAI rating with a credit quality step of at least 3.

#### *Amendment*

— a corporate entity which has been assigned an ECAI rating with a credit quality step of at least 3, ***or, if not externally rated, are assigned with a rating equivalent to a step 3 or higher with the bank validated internal rating***

*model.*

Or. en

**Amendment 745**

**Marco Zanni, Antonio Maria Rinaldi, Valentino Grant**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Article 122a – paragraph 3 – point c – point ii – indent 4 – indent 3

*Text proposed by the Commission*

— a corporate entity which has been assigned an ECAI rating with a credit quality step of at least 3.

*Amendment*

— a corporate entity which has been assigned an ECAI rating with a credit quality step of at least 3, ***or, if not externally rated, are assigned with a rating equivalent to a step 3 or higher with the bank validated internal rating model.***

Or. en

**Amendment 746**

**Gianna Gancia**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Art 122a – paragraph 3 – point c – point ii – indent 4 – indent 3 a (new)

*Text proposed by the Commission*

*Amendment*

- ***an entity that is replaceable without a significant change in the level and timing of revenues.***

Or. en

**Amendment 747**

**Marco Zanni, Antonio Maria Rinaldi, Valentino Grant**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Article 122a – paragraph 3 – point c – point ii – indent 4 – indent 3 a (new)

*Text proposed by the Commission*

*Amendment*

- ***an entity that is replaceable without a significant change in the level and timing of revenues;***

Or. en

**Amendment 748**

**Fabio Massimo Castaldo**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Article 122 – paragraph 3 – point c – point ii – indent 4 – indent 3 a (new)

*Text proposed by the Commission*

*Amendment*

- ***an entity that is replaceable without a significant change in the level and timing of revenues.***

Or. en

**Amendment 749**

**Ville Niinistö**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation EU 575/2013

Article 122a – paragraph 3 – point c – point ii – indent 5

*Text proposed by the Commission*

*Amendment*

— the ***contractual arrangements*** effectively protect the lending institution against losses resulting from the termination of the project;

— the ***main counterparty or other counterparties which meet the eligibility criteria for the main counterparty*** effectively protect the lending institution against losses resulting from the termination of the project;

Or. en

**Amendment 750**

**Danuta Maria Hübner**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation (EU) 575/2013

Article 122a – paragraph 3 – point c – point ii – indent 5

*Text proposed by the Commission*

— the ***contractual arrangements*** effectively protect the lending institution against losses resulting from the termination of the project;

*Amendment*

— the ***main counterparty or other counterparties which meet the eligibility criteria for the main counterparty*** effectively protect the lending institution against losses resulting from the termination of the project;

Or. en

**Amendment 751**

**Fabio Massimo Castaldo**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Article 122a – paragraph 3 – point c – point ii – indent 8

*Text proposed by the Commission*

— equity is pledged to the lending institution such that they are able to take control of the obligor entity upon default;

*Amendment*

— equity is pledged ***or assigned*** to the lending institution such that they are able to take control of the obligor entity upon default;

Or. en

**Amendment 752**

**Marco Zanni, Antonio Maria Rinaldi, Valentino Grant**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Art 122a – paragraph 3 – point c – point ii – indent 8

*Text proposed by the Commission*

— equity is pledged to the lending institution such that they are able to take control of the obligor entity upon default;

*Amendment*

— equity is pledged ***or assigned*** to the lending institution such that they are able to take control of the obligor entity upon default;

Or. en

**Amendment 753**  
**Carlo Calenda**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation (EU) 575/2013

Article 122a – paragraph 3 – point c – point ii – indent 8

*Text proposed by the Commission*

— equity is pledged to the lending institution such that they are able to take control of the obligor entity upon default;

*Amendment*

— equity is pledged **or assigned** to the lending institution such that they are able to take control of the obligor entity upon default;

Or. en

**Amendment 754**  
**Gianna Gancia**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Art 122a – paragraph 3 – point c – point ii – indent 8

*Text proposed by the Commission*

— equity is pledged to the lending institution such that they are able to take control of the obligor entity upon default;

*Amendment*

— equity is pledged **or assigned** to the lending institution such that they are able to take control of the obligor entity upon default;

Or. en

**Amendment 755**  
**Ville Niinistö**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 41**

Regulation EU 575/2013

Article 122a – paragraph 3 – point c – point ii – indent 8

*Text proposed by the Commission*

— **equity is pledged to** the lending institution **such that they are** able to take

*Amendment*

— the lending institution **is** able to take control of the obligor entity upon

control of the obligor entity upon default; default;

Or. en

### **Amendment 756**

**Danuta Maria Hübner**

#### **Proposal for a regulation**

##### **Article 1 – paragraph 1 – point 41**

Regulation (EU) 575/2013

Article 122a – paragraph 3 – point c – point ii – indent 8

#### *Text proposed by the Commission*

— *equity is pledged to* the lending institution *such that they are* able to take control of the obligor entity *upon* default;

#### *Amendment*

— the lending institution *is* able to take control of the obligor entity *in case of a default event*;

Or. en

### **Amendment 757**

**Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Olivier Chastel**

#### **Proposal for a regulation**

##### **Article 1 – paragraph 1 – point 41**

Regulation (EU) 575/2013

Article 122a – paragraph 3 – point e – introductory part

#### *Text proposed by the Commission*

(e) for the purposes of point (c), the operational phase shall mean the phase in which the entity that was specifically created to finance the project meets both of the following conditions:

#### *Amendment*

(e) for the purposes of point (c), the operational phase shall mean the phase in which the entity that was specifically created to finance the project, *or that is economically comparable*, meets both of the following conditions:

Or. en

#### *Justification*

*The concept of “economically comparable” is introduced for consistency with beginning of article 122a.*

### **Amendment 758**

**Dorien Rookmaker**



## **Proposal for a regulation**

### **Article 1 – paragraph 1 – point 41**

Regulation (EU) No 575/2013

Article 122a – paragraph 3 – point e – introductory part

*Text proposed by the Commission*

*Amendment*

(e) for the purposes of point (c), the operational phase shall mean the phase in which the entity that was specifically created to finance the project meets both of the following conditions:

(e) for the purposes of point (c), the operational phase shall mean the phase in which the entity that was specifically created to finance the project **or which is economically comparable** meets both of the following conditions:

Or. en

## **Amendment 759**

**Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Olivier Chastel**

## **Proposal for a regulation**

### **Article 1 – paragraph 1 – point 41**

Regulation (EU) 575/2013

Article 122a – paragraph 3 – point e – point ii

*Text proposed by the Commission*

*Amendment*

(ii) the **entity has a declining long term debt**.

(ii) the **project is in operation**.

Or. en

### *Justification*

*In some cases, the debt is amortised according to a certain profile leaving a "balloon" amount to be repaid at debt contractual maturity or the debt is not amortized ("bullet" profile) and is refinanced at maturity. With COM's wording the project would not be considered operation even though it would technically be, in any case, article 122a(3)(e)(i) enables to confirm that the entity cash flows will be sufficient to cover any remaining debt repayments to be done.*

## **Amendment 760**

**Danuta Maria Hübner**

## **Proposal for a regulation**

### **Article 1 – paragraph 1 – point 42**

Regulation (EU) 575/2013

Article 123 – paragraph 1 – point a – introductory part

*Text proposed by the Commission*

*Amendment*

(a) the exposure *is either* of the *following*:

(a) the **total exposure value aggregated across all exposures to the obligor or group of connected clients, including any exposure in default but excluding exposures secured by residential property up to the property value, shall not, to the knowledge of the institution, which shall take reasonable steps to confirm the situation, exceed EUR 1 million;**

Or. en

*Justification*

*The 75% weight for 'regulatory retail' reflects the credit risk of exposures for which, amongst other criteria, the maximum aggregated exposure to the obligor is relatively low. CRE20.65 of the Basel III standards allows a maximum aggregated exposure of EUR 1 million not only for exposures to small and medium-sized enterprises (SMEs) but also to natural persons. Where this threshold is exceeded for an individual natural person or group of natural persons, or where any of the other criteria for 'regulatory retail' is not met, CRE20.67 of the Basel III standards requires a classification as 'other retail', for which, CRE20.68(3) of the Basel III standards requires a 100% risk weight.*

#### **Amendment 761**

**Ville Niinistö**

on behalf of the Verts/ALE Group

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 42**

Regulation EU 575/2013

Article 123 – paragraph 1 – point a – introductory part

*Text proposed by the Commission*

*Amendment*

(a) the exposure is *either of the following*:

(a) the exposure is **an exposure to one or more natural persons or an exposure to an SME within the meaning of Article 5, point (8)**

Or. en

#### **Amendment 762**

**Danuta Maria Hübner**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 42**

Regulation (EU) 575/2013

Article 123 – paragraph 1 – point a – point i

*Text proposed by the Commission*

*Amendment*

(i) *an exposure to one or more natural persons;* *deleted*

Or. en

**Amendment 763**

**Ville Niinistö**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 42**

Regulation EU 575/2013

Article 123 – paragraph 1 – point a – point i

*Text proposed by the Commission*

*Amendment*

(i) *an exposure to one or more natural persons;* *deleted*

Or. en

**Amendment 764**

**Markus Ferber**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 42**

Regulation 575/2013

Article 123 – paragraph 1 – subparagraph 1 – point a – point i

*Text proposed by the Commission*

*Amendment*

(i) an exposure to one or *more* natural persons; (i) an exposure to one or *a group of* natural persons;

Or. en

*Justification*

*The Commission text should be maintained.*

**Amendment 765**

**Ville Niinistö**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 42**

Regulation EU 575/2013

Article 123 – paragraph 1 – point a – point ii

*Text proposed by the Commission*

*Amendment*

**(ii) an exposure to an SME within the meaning of Article 5, point (8), where the total amount owed to the institution, its parent undertakings and its subsidiaries, by the obligor or group of connected clients, including any exposure in default but excluding exposures secured by residential property up to the property value shall not, to the knowledge of the institution, which shall take reasonable steps to confirm the situation, exceed EUR 1 million;** *deleted*

Or. en

**Amendment 766**

**Danuta Maria Hübner**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 42**

Regulation (EU) 575/2013

Article 123 – paragraph 1 – point a – point ii

*Text proposed by the Commission*

*Amendment*

**(ii) an exposure to an SME within the meaning of Article 5, point (8), where the total amount owed to the institution, its parent undertakings and its subsidiaries, by the obligor or group of connected clients, including any exposure in default but excluding exposures secured by residential property up to the property value shall not, to the knowledge of the institution, which shall take reasonable steps to confirm the situation, exceed EUR 1 million;** *deleted*

**Amendment 767**

**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 42**

Regulation (EU) No 575/2013

Article 123 – paragraph 1 – point a – point ii

*Text proposed by the Commission*

(ii) an exposure to an SME within the meaning of Article 5, point (8), where the total amount owed to the institution, its parent undertakings and its subsidiaries, by the obligor or group of connected clients, including any exposure in default but excluding exposures secured by residential property up to the property value shall not, to the knowledge of the institution, which shall take reasonable steps to confirm the situation, exceed EUR 1 million;

*Amendment*

(ii) an exposure to an SME within the meaning of Article 5, point (8) ***of this Regulation***, where the total amount owed to the institution, its parent undertakings and its subsidiaries, by the obligor or group of connected clients, including any exposure in default but excluding exposures secured by residential property up to the property value shall not, to the knowledge of the institution, which shall take reasonable steps to confirm the situation, exceed EUR 1 million;

**Amendment 768**

**Ville Niinistö**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 42**

Regulation EU 575/2013

Article 123 – paragraph 1 – point a a (new)

*Text proposed by the Commission*

*Amendment*

***(a a) the total amount owed to the institution, its parent undertakings and its subsidiaries, by the obligor or group of connected clients, including any exposure in default but excluding exposures secured by residential property up to the property value shall not, to the knowledge of the institution, which shall take reasonable steps to confirm the situation,***

*exceed EUR 1 million*

Or. en

**Amendment 769**

**Danuta Maria Hübner**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 42**

Regulation (EU) 575/2013

Article 123 – paragraph 1 – subparagraph 1 a (new)

*Text proposed by the Commission*

*Amendment*

*Where any of these criteria are not met for an exposure to one or more natural persons, the risk weight shall be 100%.*

Or. en

**Amendment 770**

**Marco Zanni, Antonio Maria Rinaldi, Valentino Grant**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 42**

Regulation (EU) No 575/2013

Art 123 – paragraph 1 – subparagraph 3

*Text proposed by the Commission*

*Amendment*

*EBA shall issue guidelines, in accordance with Article 16 of Regulation (EU) No 1093/2010, to specify proportionate diversification methods under which an exposure is to be considered as one of a significant number of similar exposures as specified in point (b), by [OP please insert the date = 1 year after entry into force of this Regulation].*

*deleted*

Or. en

**Amendment 771**

**Ville Niinistö**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 42**

*Text proposed by the Commission*

3. Retail exposures as referred to in paragraph 1 shall be assigned a risk weight of 75 %, with the exception of transactor exposures, which shall be assigned a risk weight of 45 %.

*Amendment*

3. Retail exposures as referred to in paragraph 1 shall be assigned a risk weight of 75 %, with the exception of transactor exposures, which shall be assigned a risk weight of 45 %. ***Where any of the criteria laid down in paragraph 1 are not met for an exposure to one or more natural persons, the risk weight shall be 100%.***

Or. en

**Amendment 772**  
**Danuta Maria Hübner**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 42**  
Regulation (EU) 575/2013  
Article 123 – paragraph 4

*Text proposed by the Commission*

4. ***By way of derogation from paragraph 3, exposures due to loans granted by an institution to pensioners or employees with a permanent contract against the unconditional transfer of part of the borrower's pension or salary to that institution shall be assigned a risk weight of 35 %, provided that all the following conditions are met:***

***(a) to repay the loan, the borrower unconditionally authorises the pension fund or employer to make direct payments to the institution by deducting the monthly payments on the loan from the borrower's monthly pension or salary;***

***(b) the risks of death, inability to work, unemployment or reduction of the net monthly pension or salary of the borrower are properly covered through an insurance policy to the benefit of the institution;***

*Amendment*

*deleted*

**(c) the monthly payments to be made by the borrower on all loans that meet the conditions set out in points (a) and (b) do not in aggregate exceed 20 % of the borrower's net monthly pension or salary;**

**(d) the maximum original maturity of the loan is equal to or less than ten years.;**

Or. en

#### *Justification*

*The Basel III standards do not allow a 35% risk weight for exposures to natural persons. CRE20.67 of the Basel III standards requires all exposures to natural persons to be treated as 'other retail' where not all of the criteria for 'regulatory retail' are met. CRE20.68 of the Basel III standards assigns for 'regulatory retail' a risk weight of either 45% in case of transactors or otherwise 75%, whereas the risk weight for 'other retail' is 100%.*

#### **Amendment 773**

**José Manuel García-Margallo y Marfil**

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 42**

Regulation (EU) No 575/2013

Article 123 – paragraph 4 – subparagraph 1 a (new)

*Text proposed by the Commission*

*Amendment*

***When the competent authorities of a third country which apply supervisory and regulatory arrangements at least equivalent to those applied in the Union assign a specific risk weight in exposures where condition “a” of this paragraph is met, institutions may risk weight such exposures in the same manner.’***

Or. en

#### **Amendment 774**

**Marco Zanni, Antonio Maria Rinaldi, Valentino Grant**

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 43 a (new)**

Regulation (EU) No 575/2013

Article 123 – subparagraph 5 – introductory part



*Present text*

Exposures due to loans granted by a credit institution to pensioners or employees with a permanent contract against the unconditional transfer of part of the borrower's pension or salary to that credit institution shall be assigned a risk weight of **35 %**, provided that all the following conditions are met:

*Amendment*

"Exposures due to loans granted by a credit institution to pensioners or employees with a permanent contract against the unconditional transfer of part of the borrower's pension or salary to that credit institution shall be assigned a risk weight of **30 %**, provided that all the following conditions are met:

"

Or. en

**Amendment 775**

**Carlo Calenda**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 42**

Regulation (EU) 575/2013

Article 123 – paragraph 4 a (new)

*Text proposed by the Commission*

*Amendment*

***4 a.. By way of derogation from paragraph 3, exposures under the standardised approach due to not-real estate leases granted by an institution to retail borrowers against the payment of periodic contractual payments shall be assigned a risk weight of 55%, provided that all the following conditions are met:***

- a) the lessor performs a complete credit risk assessment process comprising lessees, subject of leases and their relative suppliers;***
- b) the lessor retains the legal ownership of the leased asset throughout the life of the contract;***
- c) the lessor has the right to carry out on-site inspections/access;***
- d) the leased assets are instrumental to the exercise of the borrower's economic activities.***

**Amendment 776**  
**Fabio Massimo Castaldo**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 42**  
Regulation (EU) No 575/2013  
Article 123 – paragraph 4 a (new)

*Text proposed by the Commission*

*Amendment*

**4 a. By way of derogation from paragraph 3, exposures under the standardised approach due to not-real estate leases granted by an institution to retail borrowers against the payment of periodic contractual payments shall be assigned a risk weight of 55%, provided that all the following conditions are met:**

- a) the lessor performs a complete credit risk assessment process comprising lessees, subject of leases and their relative suppliers;**
- b) the lessor retains the legal ownership of the leased asset throughout the life of the contract;**
- c) the lessor has the right to carry out on-site inspections/access;**
- d) the leased assets are instrumental to the exercise of the borrower's economic activities.**

Or. en

**Amendment 777**  
**Marco Zanni, Antonio Maria Rinaldi, Valentino Grant**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 42**  
Regulation (EU) No 575/2013  
Article 123 paragraph 4 a (new)

*Text proposed by the Commission*

*Amendment*

**4 a. By way of derogation from**

*paragraph 3, exposures under the standardised approach due to not-real estate leases granted by an institution to retail borrowers against the payment of periodic contractual payments shall be assigned a risk weight of 55%, provided that all the following conditions are met:*

*a) the lessor performs a complete credit risk assessment process comprising lessees, subject of leases and their relative suppliers;*

*b) the lessor retains the legal ownership of the leased asset throughout the life of the contract;*

*c) the lessor has the right to carry out on-site inspections/access;*

*d) the leased assets are instrumental to the exercise of the borrower's economic activities.*

Or. en

#### **Amendment 778**

**Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello**

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 42**

Regulation (EU) 575/2013

Article 123 – paragraph 4 a (new)

*Text proposed by the Commission*

*Amendment*

*4 a. By way of derogation from paragraph 3, exposures under the standardised approach due to not-real estate leases granted by an institution to retail borrowers against the payment of periodic contractual payments shall be assigned a risk weight of 55%, provided that all the following conditions are met:*

*a) the lessor performs a complete credit risk assessment process comprising lessees, subject of leases and their relative suppliers;*

*b) the lessor retains the legal ownership of the leased asset throughout the life of the*

*contract;*

*c) the lessor has the right to carry out on-site inspections/access;*

*d) the leased assets are instrumental to the exercise of the borrower's economic activities.*

Or. en

**Amendment 779**

**Raffaele Fitto**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 42**

Regulation (EU) No 575/2013

Article 123 – paragraph 4 a (new)

*Text proposed by the Commission*

*Amendment*

*4 a. By way of derogation from paragraph 3, exposures under the standardised approach due to not-real estate leases granted by an institution to retail borrowers against the payment of periodic contractual payments shall be assigned a risk weight of 55%, provided that all the following conditions are met:*

*a) the lessor performs a complete credit risk assessment process comprising lessees, subject of leases and their relative suppliers;*

*b) the lessor retains the legal ownership of the leased asset throughout the life of the contract;*

*c) the lessor has the right to carry out on-site inspections/access;*

*d) the leased assets are instrumental to the exercise of the borrower's economic activities.*

Or. en

**Amendment 780**

**Gianna Gancia**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 42**  
Regulation (EU) No 575/2013  
Art 123 – paragraph 4 a (new)

*Text proposed by the Commission*

*Amendment*

**4 a. By way of derogation from paragraph 3, exposures under the standardised approach due to not-real estate leases granted by an institution to retail borrowers against the payment of periodic contractual payments shall be assigned a risk weight of 55%, provided that all the following conditions are met:**

**a) the lessor performs a complete credit risk assessment process comprising lessees, subject of leases and their relative suppliers;**

**b) the lessor retains the legal ownership of the leased asset throughout the life of the contract;**

**c) the lessor has the right to carry out on-site inspections/access;**

**d) the leased assets are instrumental to the exercise of the borrower's economic activities.**

Or. en

**Amendment 781**  
**Danuta Maria Hübner**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 43**  
Regulation (EU) 575/2013  
Article 123a – paragraph 1 – introductory part

*Text proposed by the Commission*

*Amendment*

1. **Exposures to** natural persons assigned to any of the exposures classes laid down in point (h) or (i) of Article 112, the risk weight assigned in accordance with Chapter 2 shall be multiplied by a factor of 1,5, whereby the resulting risk weight shall not be higher than 150 %, **where the**

1. **Where the following conditions are met for an exposure to a natural person or** natural persons **which is** assigned to any of the exposures classes laid down in point (h) or, **if it is secured by residential immovable property, which is assigned to the exposure class laid down**

*following conditions are met.*

*in* (i) of Article 112, the risk weight assigned *to that exposure* in accordance with Chapter 2 shall be multiplied by a factor of 1,5, whereby the resulting risk weight shall not be higher than 150 %.

Or. en

*Justification*

*CRE20.92 of the Basel III standards requires the 1,5 multiplier to be applied only to RRE exposures, whereas referring to the whole exposure class would unjustifiably extend this to commercial real estate exposures.*

**Amendment 782**

**Ville Niinistö**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 43**

Regulation EU 575/2013

Article 123a – paragraph 1 – introductory part

*Text proposed by the Commission*

1. ***Exposures to*** natural persons assigned to ***any of*** the exposures classes laid down in point (h) or (i) of Article 112, the risk weight assigned in accordance with Chapter 2 shall be multiplied by a factor of 1,5, whereby the resulting risk weight shall not be higher than 150 %, ***where the following conditions are met.***

*Amendment*

1. ***Where the following conditions are met for an exposure to a natural person or*** natural persons assigned to the exposures classes laid down in point (h) or, ***if it is secured by residential immovable property, which is assigned to the exposure class laid down in*** (i) of Article 112, the risk weight assigned ***to that exposure*** in accordance with Chapter 2 shall be multiplied by a factor of 1,5, whereby the resulting risk weight shall not be higher than 150 %:

Or. en

**Amendment 783**

**Ville Niinistö**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 43**

Regulation EU 575/2013

Article 123a – paragraph 1 – point a

*Text proposed by the Commission*

(a) the exposure is **due to** a loan denominated in a currency which is different from the currency of the obligor's source of income;

*Amendment*

(a) the exposure is a loan denominated in a currency which is different from the currency of the obligor's source of income;

Or. en

**Amendment 784**

**Ville Niinistö**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 44**

Regulation EU 575/2013

Article 124 – paragraph 2 – introductory part

*Text proposed by the Commission*

2. A non-ADC exposure secured by an immovable property, where all the conditions laid down in paragraph 3 are met **and**, shall be treated as follows:

*Amendment*

2. A non-ADC exposure secured by an immovable property, where all the conditions laid down in paragraph 3 are met , shall be treated as follows:

Or. en

**Amendment 785**

**Engin Eroglu**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 44**

Regulation (EU) No 575/2013

Article 124 – paragraph 2 – point a – introductory part

*Text proposed by the Commission*

(a) where the exposure is secured by a residential property, the exposure shall not qualify as an IPRE exposure and shall be treated in accordance with Article 125(1) **where the exposure meets any of the following conditions:**

*Amendment*

(a) where the exposure is secured by a **non-IPRE** residential property **or is secured by a IPRE residential property that meets any of the following conditions**, the exposure shall not qualify as an IPRE exposure and shall be treated in accordance with Article 125(1)

Or. en

## Justification

According to Article 124(2)(a), where the exposure is secured by a residential property, the exposure shall not qualify as an IPRE exposure and shall be treated in accordance with Article 125(1) where the exposure meets any of the listed conditions. The wording in CRR means that only those exposures that meet all conditions could be seen as an exposure that is secured by a non-IPRE residential property that can use the SA-LS approach. According to the final Basel III Standards, residential properties that are IPRE can use the SA-LS approach, if the property meets any of the listed conditions. A non-IPRE residential real estate does not have to meet the listed conditions at all in order to qualify for the SA-LS approach. The text should be adjusted to mirror the Basel Standard, otherwise the EU implementation is more restrictive than the Basel Standard.

### Amendment 786

Ville Niinistö

on behalf of the Verts/ALE Group

#### Proposal for a regulation

##### Article 1 – paragraph 1 – point 44

Regulation EU 575/2013

Article 124 – paragraph 2 – point a – introductory part

#### *Text proposed by the Commission*

(a) where the exposure is secured by a residential property, ***the exposure shall not qualify as an IPRE exposure and*** shall be treated in accordance with Article 125(1) where the exposure meets any of the following conditions:

#### *Amendment*

(a) where the exposure is secured by a residential property, ***it*** shall be treated in accordance with Article 125(1) where the exposure meets any of the following conditions:

Or. en

### Amendment 787

Sirpa Pietikäinen

#### Proposal for a regulation

##### Article 1 – paragraph 1 – point 44

Regulation (EU) No 575/2013

Article 124 – paragraph 2 – point a – introductory part

#### *Text proposed by the Commission*

(a) where the exposure is secured by a residential property, the exposure shall not qualify as an IPRE exposure and shall be treated in accordance with Article 125(1)

#### *Amendment*

(a) where the exposure is secured by a residential property, the exposure shall not qualify as an IPRE exposure and shall be treated in accordance with Article 125(1)



where the exposure meets any of the following conditions:

where the exposure meets any of the following conditions (*i-iva*):

Or. en

**Amendment 788**

**Ville Niinistö**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 44**

Regulation EU 575/2013

Article 124 – paragraph 2 – point a – point -i

*Text proposed by the Commission*

*Amendment*

**(-i) *the exposure does not qualify as an IPRE exposure;***

Or. en

**Amendment 789**

**Sirpa Pietikäinen**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 44**

Regulation (EU) No 575/2013

Article 124 – paragraph 2 – point a – point i

*Text proposed by the Commission*

*Amendment*

**(i) *the immovable property securing the exposure is the obligor's primary residence***, either where the immovable property as a whole constitutes a single housing unit or where the immovable property securing the exposure is a housing unit that is a separated part within an immovable property;

**(i) the exposure is *to an individual and secured by a residential property, and which is in line with environmentally sustainable economy***, either where the immovable property as a whole constitutes a single housing unit or where the immovable property securing the exposure is a housing unit that is a separated part within an immovable property;

Or. en

**Amendment 790**

**Marco Zanni, Antonio Maria Rinaldi, Valentino Grant**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 44**

*Text proposed by the Commission*

(i) ***the immovable property securing*** the exposure is ***the obligor's primary residence***, either where the immovable property as a whole constitutes a single housing unit or where the immovable property securing the exposure is a housing unit that is a separated part within an immovable property;

*Amendment*

(i) the exposure is ***to an individual and secured by a residential property***, either where the immovable property as a whole constitutes a single housing unit or where the immovable property securing the exposure is a housing unit that is a separated part within an immovable property;

Or. en

**Amendment 791**  
**Gianna Gancia**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 44**  
Regulation (EU) No 575/2013  
Article 124 – paragraph 2 – point a – point i

*Text proposed by the Commission*

(i) ***the immovable property securing*** the exposure is ***the obligor's primary residence***, either where the immovable property as a whole constitutes a single housing unit or where the immovable property securing the exposure is a housing unit that is a separated part within an immovable property;

*Amendment*

(i) the exposure is ***to an individual and secured by a residential property***, either where the immovable property as a whole constitutes a single housing unit or where the immovable property securing the exposure is a housing unit that is a separated part within an immovable property;

Or. en

**Amendment 792**  
**Raffaele Fitto**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 44**  
Regulation (EU) No 575/2013  
Article 124 – paragraph 2 – point a – point i

*Text proposed by the Commission*

(i) ***the immovable property securing***

*Amendment*

(i) the exposure is ***to an individual***

the exposure is *the obligor's primary residence*, either where the immovable property as a whole constitutes a single housing unit or where the immovable property securing the exposure is a housing unit that is a separated part within an immovable property;

*and secured by a residential property*, either where the immovable property as a whole constitutes a single housing unit or where the immovable property securing the exposure is a housing unit that is a separated part within an immovable property;

Or. en

### **Amendment 793**

**Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello**

#### **Proposal for a regulation**

##### **Article 1 – paragraph 1 – point 44**

Regulation (EU) 575/2013

Article 124 – paragraph 2 – point a – point i

#### *Text proposed by the Commission*

(i) *the immovable property securing* the exposure is *the obligor's primary residence*, either where the immovable property as a whole constitutes a single housing unit or where the immovable property securing the exposure is a housing unit that is a separated part within an immovable property;

#### *Amendment*

(i) the exposure is *to an individual and secured by a residential property*, either where the immovable property as a whole constitutes a single housing unit or where the immovable property securing the exposure is a housing unit that is a separated part within an immovable property;

Or. en

### **Amendment 794**

**Sirpa Pietikäinen**

#### **Proposal for a regulation**

##### **Article 1 – paragraph 1 – point 44**

Regulation (EU) No 575/2013

Article 124 – paragraph 2 – point a – point iv a (new)

#### *Text proposed by the Commission*

#### *Amendment*

*(iv a) the exposure fulfills the definition of a non-IPRE exposure*

Or. en

### **Amendment 795**

**Ville Niinistö**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 44**

Regulation EU 575/2013

Article 124 – paragraph 2 – point a – point ii

*Text proposed by the Commission*

(ii) the exposure is to ***an individual*** and is secured by an income-producing residential housing unit, either where the immovable property as a whole constitutes a single housing unit or where the housing unit is a separated part within the immovable property, and total exposures of the institution to that ***individual*** are not secured by more than four immovable properties, including those which are not residential properties or which do not meet any of the criteria in this point, or separate housing units within immovable properties;

*Amendment*

(ii) the exposure is to ***a natural person*** and is secured by an income-producing residential housing unit, either where the immovable property as a whole constitutes a single housing unit or where the housing unit is a separated part within the immovable property, and total exposures of the institution to that ***natural person*** are not secured by more than four immovable properties, including those which are not residential properties or which do not meet any of the criteria in this point, or separate housing units within immovable properties;

Or. en

**Amendment 796**

**Ville Niinistö**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 44**

Regulation EU 575/2013

Article 124 – paragraph 2 – point a – point iii

*Text proposed by the Commission*

(iii) the exposure secured by residential property is to associations or cooperatives of ***individuals*** that are regulated by law and solely exist to grant their members the use of a primary residence in the property securing the loans;

*Amendment*

(iii) the exposure secured by residential property is to associations or cooperatives of ***natural persons*** that are regulated by law and solely exist to grant their members the use of a primary residence in the property securing the loans;

Or. en

**Amendment 797**

**Sirpa Pietikäinen**

## Proposal for a regulation

### Article 1 – paragraph 1 – point 44

Regulation (EU) No 575/2013

Article 124 – paragraph 2 – point b

*Text proposed by the Commission*

(b) where the exposure is secured by residential property and the exposure does not meet any of the conditions laid down in point (a), points (i) to (iv), the exposure shall be treated in accordance with Article 125(2);

*Amendment*

(b) where the exposure is secured by residential property and **is an IPRE exposure or** the exposure does not meet any of the conditions laid down in point (a), points (i) to (v), the exposure shall be treated in accordance with Article 125(2);

Or. en

## Amendment 798

Engin Eroglu

## Proposal for a regulation

### Article 1 – paragraph 1 – point 44

Regulation (EU) No 575/2013

Article 124 – paragraph 2 – point b

*Text proposed by the Commission*

(b) where the exposure is secured by residential property and the exposure does not meet any of the conditions laid down in point (a), points (i) to (iv), the exposure shall be treated in accordance with Article 125(2);

*Amendment*

(b) where the exposure is secured by **an IPRE** residential property and the exposure does not meet any of the conditions laid down in point (a), points (i) to (iv), the exposure shall be treated in accordance with Article 125(2);

Or. en

### *Justification*

*According to Article 124(2)(a), where the exposure is secured by a residential property, the exposure shall not qualify as an IPRE exposure and shall be treated in accordance with Article 125(1) where the exposure meets any of the listed conditions. The wording in CRR means that only those exposures that meet all conditions could be seen as an exposure that is secured by a non-IPRE residential property that can use the SA-LS approach. According to the final Basel III Standards, residential properties that are IPRE can use the SA-LS approach, if the property meets any of the listed conditions. A non-IPRE residential real estate does not have to meet the listed conditions at all in order to qualify for the SA-LS approach. The text should be adjusted to mirror the Basel Standard, otherwise the EU implementation is more restrictive than the Basel Standard.*

**Amendment 799**  
**Gianna Gancia**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 44**

Regulation (EU) No 575/2013

Article 124 – paragraph 2 – point c – point ii a (new)

*Text proposed by the Commission*

*Amendment*

*(ii a) exposures related to property leasing transactions concerning offices or other commercial premises under which the institution is the lessor and the lessee has an option to purchase shall be assigned a risk weight of 50% provided that the exposure of the institution is fully and completely secured by its ownership of the property and the commercial immovable property is instrumental to the lessee's economic activities.*

Or. en

**Amendment 800**  
**Raffaele Fitto**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 44**

REGULATION (EU) No 575/2013

Article 124 – paragraph 2 – point c – point ii a (new)

*Text proposed by the Commission*

*Amendment*

*(ii a) exposures related to property leasing transactions concerning offices or other commercial premises under which the institution is the lessor and the lessee has an option to purchase shall be assigned a risk weight of 50% provided that the exposure of the institution is fully and completely secured by its ownership of the property and the commercial immovable property is instrumental to the lessee's economic activities.*

Or. en

**Amendment 801**

**Marco Zanni, Antonio Maria Rinaldi, Valentino Grant**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 44**

Regulation (EU) No 575/2013

Article 124 – paragraph 2 – point c – point ii a (new)

*Text proposed by the Commission*

*Amendment*

*(ii a) exposures related to property leasing transactions concerning offices or other commercial premises under which the institution is the lessor and the lessee has an option to purchase shall be assigned a risk weight of 50% provided that the exposure of the institution is fully and completely secured by its ownership of the property and the commercial immovable property is instrumental to the lessee's economic activities.*

Or. en

**Amendment 802**

**Fabio Massimo Castaldo**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 44**

Regulation (EU) No 575/2013

Article 124 – paragraph 2 – point c – point ii a (new)

*Text proposed by the Commission*

*Amendment*

*(ii a) exposures related to property leasing transactions concerning offices or other commercial premises under which the institution is the lessor and the lessee has an option to purchase shall be assigned a risk weight of 50% provided that the exposure of the institution is fully and completely secured by its ownership of the property and the commercial immovable property is instrumental to the lessee's economic activities.*

Or. en

**Amendment 803**  
**Carlo Calenda**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 44**  
Regulation (EU) 575/2013  
Article 124 – paragraph 2 – point c – point ii a (new)

*Text proposed by the Commission*

*Amendment*

*(ii a) exposures related to property leasing transactions concerning offices or other commercial premises under which the institution is the lessor and the lessee has an option to purchase shall be assigned a risk weight of 50% provided that the exposure of the institution is fully and completely secured by its ownership of the property and the commercial immovable property is instrumental to the lessee's economic activities.*

Or. en

**Amendment 804**  
**Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 44**  
Regulation (EU) 575/2013  
Article 124 – paragraph 2 – point c – point ii a (new)

*Text proposed by the Commission*

*Amendment*

*(ii a) exposures related to property leasing transactions concerning offices or other commercial premises under which the institution is the lessor and the lessee has an option to purchase shall be assigned a risk weight of 50% provided that the exposure of the institution is fully and completely secured by its ownership of the property and the commercial immovable property is instrumental to the lessee's economic activities.*

Or. en



**Amendment 805**  
**Sirpa Pietikäinen**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 44**

Regulation (EU) No 575/2013

Article 124 – paragraph 3 – introductory part

*Text proposed by the Commission*

3. In order to be eligible for the treatment laid down in **paragraph 2**, an exposure secured by an immovable property shall fulfil all of the following conditions:

*Amendment*

3. In order to be eligible for the treatment laid down in **Article 125(1), point (a), or Article 126(1), point (a)**, an exposure secured by an immovable property shall fulfil all of the following conditions:

Or. en

**Amendment 806**  
**Engin Eroglu**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 44**

Regulation (EU) No 575/2013

Article 124 – paragraph 3 – point a – point iii – introductory part

*Text proposed by the Commission*

(iii) the immovable property is residential property under construction or it is land upon which a residential property is planned to be constructed where that plan has been approved by all authorities **concerned** and where any of the following conditions is met:

*Amendment*

(iii) the immovable property is **either** residential property under construction or it is land upon which a residential property is planned to be constructed where that plan has been **legally** approved by all **relevant** authorities, **as applicable**, and where any of the following conditions is met:

Or. en

**Amendment 807**  
**Ville Niinistö**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 44**

Regulation EU 575/2013

Article 124 – paragraph 3 – point a – point iii – indent 1

*Text proposed by the Commission*

— the property does not have more than four residential housing units and will be the primary residence of the obligor and the lending to the **individual** is not indirectly financing ADC exposures;

*Amendment*

— the property does not have more than four residential housing units and will be the primary residence of the obligor and the lending to the **natural person** is not indirectly financing ADC exposures;

Or. en

**Amendment 808**

**Engin Eroglu**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 44**

Regulation (EU) No 575/2013

Article 124 – paragraph 3 – point a – point iii – indent 2

*Text proposed by the Commission*

— a central government, regional government or local authority or a public sector entity, exposures to which are treated in accordance with Articles 115(2) and 116(4), respectively, has the legal powers and ability to ensure that the property under construction will be finished within a reasonable time frame and is required to or has committed in a legally binding manner to do so where the construction would otherwise not be finished within a reasonable time frame;

*Amendment*

— a central government, regional government or local authority or a public sector entity, exposures to which are treated in accordance with Articles 115(2) and 116(4), respectively, has the legal powers and ability to ensure that the property under construction will be finished within a reasonable time frame and is required to or has committed in a legally binding manner to do so where the construction would otherwise not be finished within a reasonable time frame;

***alternatively, there is an equivalent legal mechanism to ensure that the property under construction is completed within a reasonable timeframe;***

Or. en

*Justification*

*The extension to alternative mechanisms that ensure the completion of the property takes into account the objective of the scheme and at the same time takes into account the national differences in the Member States.*

**Amendment 809**  
**Christophe Hansen**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 44**

Regulation (EU) No 575/2013

Article 124 – paragraph 3 – point a – point iii – indent 2

*Text proposed by the Commission*

— a central government, regional government or local authority or a public sector entity, exposures to which are treated in accordance with Articles 115(2) and 116(4), respectively, has the legal powers and ability to ensure that the property under construction will be finished within a reasonable time frame and is required to or has committed in a legally binding manner to do so where the construction would otherwise not be finished within a reasonable time frame;

*Amendment*

— a central government, regional government or local authority or a public sector entity, exposures to which are treated in accordance with Articles 115(2) and 116(4), respectively, has the legal powers and ability to ensure that the property under construction will be finished within a reasonable time frame and is required to or has committed in a legally binding manner to do so where the construction would otherwise not be finished within a reasonable time frame.  
***Equivalently, there are legal provisions in place to ensure that the property under construction will be finished within a reasonable time frame.;***

Or. en

**Amendment 810**  
**Sirpa Pietikäinen**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 44**

Regulation (EU) No 575/2013

Article 124 – paragraph 3 – point a – point iii a (new)

*Text proposed by the Commission*

*Amendment*

***(iii a) the property is built by a housing company or cooperative which continues to own and administer the property after construction.***

Or. en

**Amendment 811**  
**Ville Niinistö**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 44**

Regulation EU 575/2013

Article 124 – paragraph 7 – subparagraph 2

*Text proposed by the Commission*

Where, on the basis of the assessment referred to in the first subparagraph, the authority designated in accordance with paragraph 6 of this Article concludes that the risk weights set out in Article 125 or 126 do not adequately reflect the actual risks related to exposures to one or more property segments secured by mortgages on residential property or on commercial immovable property located in one or more parts of the territory of the Member State of the relevant authority, ***and if it considers that the inadequacy of the risk weights could adversely affect current or future financial stability in its Member State***, it may increase the risk weights applicable to those exposures within the ranges determined in the fourth subparagraph of this paragraph or impose stricter criteria than those set out in paragraph 3 of this Article.

*Amendment*

Where, on the basis of the assessment referred to in the first subparagraph, the authority designated in accordance with paragraph 6 of this Article concludes that the risk weights set out in Article 125 or 126 do not adequately reflect the actual risks related to exposures to one or more property segments secured by mortgages on residential property or on commercial immovable property located in one or more parts of the territory of the Member State of the relevant authority, it may increase the risk weights applicable to those exposures within the ranges determined in the fourth subparagraph of this paragraph or impose stricter criteria than those set out in paragraph 3 of this Article.

Or. en

**Amendment 812**

**Ville Niinistö**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 44**

Regulation EU 575/2013

Article 124 – paragraph 7 – subparagraph 3

*Text proposed by the Commission*

The authority designated in accordance with paragraph 6 of this Article shall notify EBA and the ESRB of any adjustments to risk weights and criteria applied pursuant to this paragraph. Within one month of

*Amendment*

The authority designated in accordance with paragraph 6 of this Article shall notify EBA and the ESRB of any adjustments to risk weights and criteria applied pursuant to this paragraph. Within one month of

receipt of that notification, EBA and the ESRB shall provide their opinion to the Member State concerned. EBA and the ESRB shall publish the risk weights and criteria for exposures referred to in Articles 125, 126 and Article 199(1), point (a), as implemented by the relevant authority.

receipt of that notification, EBA and the ESRB shall provide their opinion to the Member State concerned ***and indicate whether they consider that the adjustments to risk weights and criteria are also recommended to other Member States***. EBA and the ESRB shall publish the risk weights and criteria for exposures referred to in Articles 125, 126 and Article 199(1), point (a), as implemented by the relevant authority.

Or. en

**Amendment 813**  
**Markus Ferber**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 44**  
Regulation 575/2013  
Article 124 – paragraph 7 – subparagraph 4

*Text proposed by the Commission*

*Amendment*

***For the purposes of the second subparagraph of this paragraph, the authority designated in accordance with paragraph 6 may increase the risk weights laid down in Article 125(1), point (a), or Article 126(1), point (a). The authority shall not increase those to more than 150 %.***

***deleted***

Or. en

**Amendment 814**  
**Ville Niinistö**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 44**  
Regulation EU 575/2013  
Article 124 – paragraph 7 – subparagraph 4

*Text proposed by the Commission*

*Amendment*

For the purposes of the second subparagraph of this paragraph, the

For the purposes of the second subparagraph of this paragraph, the

authority designated in accordance with paragraph 6 may increase the risk weights laid down in Article 125(1), point (a), or Article 126(1), point (a). **The authority shall not increase those to more than 150 %.**

authority designated in accordance with paragraph 6 may increase the risk weights laid down in Article 125(1), point (a), or Article 126(1), point (a).

Or. en

## **Amendment 815**

**Ville Niinistö**

on behalf of the Verts/ALE Group

### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 44**

Regulation EU 575/2013

Article 124 – paragraph 10 – introductory part

#### *Text proposed by the Commission*

10. The ESRB *may*, by means of recommendations in accordance with Article 16 of Regulation (EU) No 1092/2010, and in close cooperation with EBA, give guidance to authorities designated in accordance with paragraph 6 of this Article on both of the following:

#### *Amendment*

10. The ESRB **shall**, by means of recommendations in accordance with Article 16 of Regulation (EU) No 1092/2010, and in close cooperation with EBA, give guidance to authorities designated in accordance with paragraph 6 of this Article on both of the following:

Or. en

## **Amendment 816**

**Sirpa Pietikäinen**

### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 45**

Regulation (EU) No 575/2013

Article 125 – paragraph 1 – introductory part

#### *Text proposed by the Commission*

1. An exposure secured by a residential property that complies with any of the conditions laid down in Article 124(2), point (a), points (i) to **(iv)**, shall be treated as follows:

#### *Amendment*

1. An exposure secured by a residential property that complies **with the definition of a non IPRE-exposure or** with any of the conditions laid down in Article 124(2), point (a), points (i) to **(iv a)**, shall be treated as follows:

Or. en

**Amendment 817**  
**Sirpa Pietikäinen**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 45**

Regulation (EU) No 575/2013

Article 125 – paragraph 1 – point a – subparagraph 1

*Text proposed by the Commission*

(a) the part of the exposure up to 55 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted shall be assigned a risk weight of 20 %.

*Amendment*

(a) the part of the exposure up to 55 % of the property value remaining after any senior or pari passu ranking liens not held by the institution have been deducted shall be assigned a risk weight of 20 %.

***Similarly, the part of the exposure up to 40 % shall be assigned a risk weight of 15 % and exposure up to 30 % shall be assigned a risk weight of 10 %.***

Or. en

**Amendment 818**  
**José Manuel García-Margallo y Marfil**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 45**

Regulation (EU) No 575/2013

Article 125 – paragraph 1 – subparagraph 1 a (new)

*Text proposed by the Commission*

*Amendment*

***As an alternative to the approach described in the first subparagraph, for an exposure secured by a residential property that complies with any of the conditions laid down in Article 124(2), point (a), points (i) to (iv), institutions may determine the risk weight to be assigned to the total exposure amount based on the exposure's LTV ratio in Table 6aab:***

Or. en

**Amendment 819**  
**José Manuel García-Margallo y Marfil, Isabel Benjumea Benjumea**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 45**

Regulation (EU) No 575/2013

Article 125 – paragraph 1 – subparagraph 1 a– table 6aab (new)

*Text proposed by the Commission*

*Amendment*

**Table 6aab**

	<i>LTV</i> ≤ 0 %	50% ≤ <i>LTV</i> <i>V</i> ≤ 60%	60% ≤ <i>LTV</i> <i>V</i> ≤ 80%	80% ≤ <i>LTV</i> <i>V</i> 90%	90% ≤ <i>LTV</i> <i>V</i> ≤ 100%	<i>LTV</i> > 100 %
<b>Risk weight</b>	20%	25%	30%	40%	50%	70%

Or. en

**Amendment 820**

**Sirpa Pietikäinen**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 45**

Regulation (EU) No 575/2013

Article 125 – paragraph 2 – introductory part

*Text proposed by the Commission*

2. An exposure secured by a residential property that does not meet any of the conditions laid down in Article 124(2), point (a), points (i) to (iv), shall be assigned the higher between the risk weight set in accordance with the following Table 6aaa, and the risk weight set in accordance with Article 124(7):

*Amendment*

2. **An IPRE exposure or** an exposure secured by a residential property that does not meet any of the conditions laid down in Article 124(2), point (a), points (i) to (iv), shall be assigned the higher between the risk weight set in accordance with the following Table 6aaa, and the risk weight set in accordance with Article 124(7):

Or. en

**Amendment 821**

**Engin Eroglu**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 45**

Regulation (EU) No 575/2013

Article 125 – paragraph 2 a (new)



*Text proposed by the Commission*

*Amendment*

**2 a.** *Institutions may apply the derogation referred to in the second subparagraph of paragraph 2 also in cases where competent authorities of a third country which apply supervisory and regulatory arrangements at least equivalent to those applied in the Union as decided in accordance with Article 107(4), publish corresponding loss rates for exposures secured by residential immovable property situated within the territory of their country or where a competent authority of a Member State publishes such information for a third country jurisdiction provided the availability of valid statistical data.*

Or. en

**Amendment 822**  
**Othmar Karas**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 46**  
Regulation (EU) No 575/2013  
Article 126 – paragraph 1 – subparagraph 1 a (new)

*Text proposed by the Commission*

*Amendment*

*By way of derogation from point (a), institutions may assign a risk weight of 50 % to a non-IPRE exposure secured by a commercial property where the loss rates for such exposures published by the competent authority or by the EBA in accordance with Article 430a(3) do not exceed any of the following limits for losses aggregated across all such exposures existing in the previous year:*

*(i) the losses on the part of the exposures up to 55 % of the property value do not exceed 0.3 % of the total amount of credit obligations outstanding in that year.*

*(ii) the losses on the part of the exposures up to 100 % of the property value do not*

**exceed 0.5 % of the total amount of credit obligations outstanding in that year.**

Or. en

*Justification*

*This amendment aims to introduce a more risk-based treatment of non-IPRE exposures secured by commercial property. When the hard test, pursuant to Article 126(2), is met, a risk weight to 50% should apply.*

**Amendment 823**

**Othmar Karas**

**Proposal for a regulation**

**Article 1- paragraph 1 – point 46**

Regulation (EU) No 575/2013

Article 126 – paragraph 2 – subparagraph 1 – table 6c

*Text proposed by the Commission*

	Table 6c		
	<i>ETV</i> ≤ 60%	60% ≤ <i>ETV</i> ≤ 80%	<i>ETV</i> > 80%
Risk weight	<b>70%</b>	90%	110%

*Amendment*

	Table 6c			
	<i>ETV</i> ≤ 50%	50% < <i>ETV</i> ≤ 60%	60% ≤ <i>ETV</i> ≤ 80%	<i>ETV</i> > 80%
Risk weight	<b>60%</b>	<b>70%</b>	90%	110%

Or. en

*Justification*

*This amendment aims to introduce an additional bucket of risk weights in relation to the *ETV* in order to increase the risk-sensitivity, similar to table 6aaa in Article 125, paragraph 2.*

**Amendment 824**

**Engin Eroglu**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 46**

Regulation (EU) 575/2013

Article 126 – paragraph 2 a (new)

*Text proposed by the Commission*

*Amendment*

**2 a. Institutions may apply the derogation referred to in the second subparagraph of paragraph 2 also in cases where competent authorities of a third country jurisdiction, which apply supervisory and regulatory arrangements at least equivalent to those applied in the Union as decided in accordance with Article 107(4), publish corresponding loss rates for exposures secured by commercial immovable property situated within the territory of their country or where a competent authority of a member state publishes such information for a third country jurisdiction provided the availability of valid statistical data.**

Or. en

**Amendment 825**

**Gianna Gancia**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 47**

Regulation (EU) No 575/2013

Article 126a – paragraph 2 – introductory part

*Text proposed by the Commission*

*Amendment*

2. ADC exposures to residential property, however, may be risk weighted at 100 %, provided that, where applicable, the institution applies sound origination and monitoring standards which meet the requirements of Articles 74 and 79 of Directive 2013/36/EU and where at least one of the following conditions is met:

2. ADC exposures to residential **or commercial** property, however, may be risk weighted at 100 %, provided that, where applicable, the institution applies sound origination and monitoring standards which meet the requirements of Articles 74 and 79 of Directive 2013/36/EU and where at least one of the following conditions is met:

Or. en

## **Amendment 826**

**Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello**

### **Proposal for a regulation**

#### **Article 1 – paragraph 1 – point 47**

Regulation (EU) 575/2013

Article 126a – paragraph 2 – introductory part

#### *Text proposed by the Commission*

2. ADC exposures to residential property, however, may be risk weighted at 100 %, provided that, where applicable, the institution applies sound origination and monitoring standards which meet the requirements of Articles 74 and 79 of Directive 2013/36/EU and where at least one of the following conditions is met:

#### *Amendment*

2. ADC exposures to residential ***or commercial*** property, however, may be risk weighted at 100 %, provided that, where applicable, the institution applies sound origination and monitoring standards which meet the requirements of Articles 74 and 79 of Directive 2013/36/EU and where at least one of the following conditions is met:

Or. en

## **Amendment 827**

**Fabio Massimo Castaldo**

### **Proposal for a regulation**

#### **Article 1 – paragraph 1 – point 47**

Regulation (EU) No 575/2013

Article 126 – paragraph 2 – introductory part

#### *Text proposed by the Commission*

2. ADC exposures to residential property, however, may be risk weighted at 100 %, provided that, where applicable, the institution applies sound origination and monitoring standards which meet the requirements of Articles 74 and 79 of Directive 2013/36/EU and where at least one of the following conditions is met:

#### *Amendment*

2. ADC exposures to residential ***or commercial*** property, however, may be risk weighted at 100 %, provided that, where applicable, the institution applies sound origination and monitoring standards which meet the requirements of Articles 74 and 79 of Directive 2013/36/EU and where at least one of the following conditions is met:

Or. en

## **Amendment 828**

**Raffaele Fitto**

## **Proposal for a regulation**

### **Article 1 – paragraph 1 – point 47**

REGULATION (EU) No 575/2013

Article 126a – paragraph 2 – introductory part

#### *Text proposed by the Commission*

2. ADC exposures to residential property, however, may be risk weighted at 100 %, provided that, where applicable, the institution applies sound origination and monitoring standards which meet the requirements of Articles 74 and 79 of Directive 2013/36/EU and where at least one of the following conditions is met:

#### *Amendment*

2. ADC exposures to residential ***or commercial*** property, however, may be risk weighted at 100 %, provided that, where applicable, the institution applies sound origination and monitoring standards which meet the requirements of Articles 74 and 79 of Directive 2013/36/EU and where at least one of the following conditions is met:

Or. en

## **Amendment 829**

**Marco Zanni, Antonio Maria Rinaldi, Valentino Grant**

## **Proposal for a regulation**

### **Article 1 – paragraph 1 – point 47**

Regulation (EU) No 575/2013

Article 126a – paragraph 2 – introductory part

#### *Text proposed by the Commission*

2. ADC exposures to residential property, however, may be risk weighted at 100 %, provided that, where applicable, the institution applies sound origination and monitoring standards which meet the requirements of Articles 74 and 79 of Directive 2013/36/EU and where at least one of the following conditions is met:

#### *Amendment*

2. ADC exposures to residential ***or commercial*** property, however, may be risk weighted at 100 %, provided that, where applicable, the institution applies sound origination and monitoring standards which meet the requirements of Articles 74 and 79 of Directive 2013/36/EU and where at least one of the following conditions is met:

Or. en

## **Amendment 830**

**Othmar Karas**

## **Proposal for a regulation**

### **Article 1 – paragraph 1 – point 47**

Regulation (EU) No 575/2013

Article 126a – paragraph 2 – introductory part

*Text proposed by the Commission*

2. ADC exposures ***to residential property, however***, may be risk weighted at 100 %, provided that, where applicable, the institution applies sound origination and monitoring standards which meet the requirements of Articles 74 and 79 of Directive 2013/36/EU and where at least one of the following conditions is met:

*Amendment*

2. ADC exposures may be risk weighted at 100 %, provided that, where applicable, the institution applies sound origination and monitoring standards which meet the requirements of Articles 74 and 79 of Directive 2013/36/EU and where at least one of the following conditions is met:

Or. en

*Justification*

*This amendment aims to increase the scope of the treatment for specific ADC exposures which meet the rigorous criteria laid out in points (a) and (b).*

**Amendment 831**

**Engin Eroglu**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 47**

Regulation (EU) No 575/2013

Article 126a – paragraph 2 –introductory part

*Text proposed by the Commission*

2. ADC exposures ***to residential property, however***, may be risk weighted at 100 %, provided that, where applicable, the institution applies sound origination and monitoring standards which meet the requirements of Articles 74 and 79 of Directive 2013/36/EU and where at least one of the following conditions is met:

*Amendment*

2. ADC exposures may be risk weighted at 100 %, provided that, where applicable, the institution applies sound origination and monitoring standards which meet the requirements of Articles 74 and 79 of Directive 2013/36/EU and where at least one of the following conditions is met:

Or. en

**Amendment 832**

**Engin Eroglu**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 47**

Regulation (EU) No 575/2013

Article 126a – paragraph 2 –introductory part

*Text proposed by the Commission*

2. ADC exposures ***to residential property***, however, may be risk weighted at 100 %, provided that, where applicable, the institution applies sound origination and monitoring standards which meet the requirements of Articles 74 and 79 of Directive 2013/36/EU and where at least one of the following conditions is met:

*Amendment*

2. ADC exposures, however, may be risk weighted at 100 %, provided that, where applicable, the institution applies sound origination and monitoring standards which meet the requirements of Articles 74 and 79 of Directive 2013/36/EU and where at least one of the following conditions is met:

Or. en

*Justification*

*To extend the risk weighting of 100% to commercial real estate (and not only residential real estate) in cases where the particularly strict requirements are met.*

**Amendment 833**

**Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Olivier Chastel, Engin Eroglu**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 47**

Regulation (EU) No 575/2013

Article 126a – paragraph 2 – introductory part

*Text proposed by the Commission*

2. ADC exposures ***to residential property***, however, may be risk weighted at 100 %, provided that, where applicable, the institution applies sound origination and monitoring standards which meet the requirements of Articles 74 and 79 of Directive 2013/36/EU and where at least one of the following conditions is met:

*Amendment*

2. ADC exposures, however, may be risk weighted at 100 %, provided that, where applicable, the institution applies sound origination and monitoring standards which meet the requirements of Articles 74 and 79 of Directive 2013/36/EU and where at least one of the following conditions is met:

Or. en

*Justification*

*ADC exposures can also be exposures to corporates. This needs to be reflected in the text and this specific treatment should not be limited to ADC exposures to residential property.*

**Amendment 834**

**Markus Ferber**

## Proposal for a regulation

### Article 1 – paragraph 1 – point 47

Regulation 575/2013

Article 126a – paragraph 2 – introductory part

#### *Text proposed by the Commission*

2. ADC exposures **to residential property**, however, may be risk weighted at 100 %, provided that, where applicable, the institution applies sound origination and monitoring standards which meet the requirements of Articles 74 and 79 of Directive 2013/36/EU and where at least one of the following conditions is met:

#### *Amendment*

2. ADC exposures, however, may be risk weighted at 100 %, provided that, where applicable, the institution applies sound origination and monitoring standards which meet the requirements of Articles 74 and 79 of Directive 2013/36/EU and where at least one of the following conditions is met:

Or. en

#### *Justification*

*There is no reason to restrict the exemption to residential property as long as the strict conditions are maintained.*

## Amendment 835

Engin Eroglu

## Proposal for a regulation

### Article 1 – paragraph 1 – point 47

Regulation (EU) No 575/2013

Article 126a – paragraph 2 –point a

#### *Text proposed by the Commission*

(a) legally binding pre-sale or pre-lease contracts, for which the purchaser or tenant has made a substantial cash deposit which is subject to forfeiture if the contract is terminated, amount to a significant portion of total contracts;

#### *Amendment*

(a) legally binding pre-sale or pre-lease contracts, for which the purchaser or tenant has made a substantial cash deposit which is subject to forfeiture if the contract is terminated, **or where the financing is ensured in an equivalent manner**, amount to a significant portion of total contracts;

Or. en

## Amendment 836

Christophe Hansen



**Proposal for a regulation**

**Article 1 – paragraph 1 – point 47**

Regulation (EU) No 575/2013

Article 126a – paragraph 2 – point a

*Text proposed by the Commission*

(a) legally binding pre-sale or pre-lease contracts, for which the purchaser or tenant has made a substantial cash deposit which is subject to forfeiture if the contract is terminated, amount to a significant portion of total contracts;

*Amendment*

(a) legally binding pre-sale or pre-lease contracts, for which the purchaser or tenant **(i)** has made a substantial cash deposit which is subject to forfeiture if the contract is terminated, **or (ii) has ensured financing via a bank**, amount to a significant portion of total contracts;

Or. en

**Amendment 837**

**Markus Ferber**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 47**

Regulation (EU) 575/2013

Article 126a – paragraph 2 – point a

*Text proposed by the Commission*

(a) legally binding pre-sale or pre-lease contracts, for which the purchaser or tenant has made a substantial cash deposit which is subject to forfeiture if the contract is terminated, amount to a significant portion of total contracts;

*Amendment*

(a) legally binding pre-sale or pre-lease contracts, for which the purchaser or tenant has made a substantial cash deposit which is subject to forfeiture if the contract is terminated, **or a comparable financing arrangement** amount to a significant portion of total contracts;

Or. en

**Amendment 838**

**Markus Ferber**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 47**

Regulation (EU) 575/2013

Article 126a – paragraph 2 – point b

*Text proposed by the Commission*

(b) the obligor has substantial equity at

*Amendment*

(b) the obligor has substantial equity at

risk, which is represented as an appropriate amount of obligor-contributed equity to the **residential** property's appraised value upon completion.

risk, which is represented as an appropriate amount of obligor-contributed equity to the property's appraised value upon completion.

Or. en

### **Amendment 839**

**Engin Eroglu**

#### **Proposal for a regulation**

##### **Article 1 – paragraph 1 – point 47**

Regulation (EU) No 575/2013

Article 126a – paragraph 2 –point b

#### *Text proposed by the Commission*

(b) the obligor has substantial equity at risk, which is represented as an appropriate amount of obligor-contributed equity to the **residential** property's appraised value upon completion.

#### *Amendment*

(b) the obligor has substantial equity at risk, which is represented as an appropriate amount of obligor-contributed equity to the property's appraised value upon completion.

Or. en

### **Amendment 840**

**Engin Eroglu**

#### **Proposal for a regulation**

##### **Article 1 – paragraph 1 – point 47**

Regulation (EU) No 575/2013

Article 126a – paragraph 2 –point b a (new)

#### *Text proposed by the Commission*

#### *Amendment*

**(b a) the exposure-to-value does not exceed 80 %.**

Or. en

### **Amendment 841**

**Pascal Canfin, Gilles Boyer**

#### **Proposal for a regulation**

##### **Article 1 – paragraph 1 – point 47 a (new)**

Regulation (EU) No 575/2013

Article 126b (new)

**(47 a) the following article is inserted :**

**Article 126b**

**Fossil fuel sector exposures for corporates**

**1. The following shall be considered exposures to existing fossil fuel resources:**

**(i) exposures to projects in sectors of the economy which produce, process, store or use fossil fuels as defined in Article 2(62) of Regulation (EU) 2018/1999 of the European Parliament and of the Council**

**(ii) exposures to companies active in fossil fuel sectors, excluding the ones which invest in expansion or exploration and plan to add fossil fuel resources to their production portfolio**

**(iii) exposure to power plants that burn fossil fuels to generate power.**

**Fossil fuel resources and resource fields referred to in this subparagraph must have been explored and known as of 31 December 2021.**

**2. The following shall be considered exposures to the new fossil fuel resources:**

**(i) exposure to sectors of the economy which produce, process, store or use fossil fuels as defined in Article 2(62) of Regulation (EU) 2018/1999 of the European Parliament and of the Council This includes all projects which have not received a final investment decision (FID) before 31 December 2021**

**(ii) exposures to companies active in fossil fuel sectors, which invest in expansion and exploration and plan to add fossil fuel resources to their production portfolio**

**(ii) exposure to power plants that burn fossil fuels to generate power; the FID for the exploration or expansion of such fossil fuels must have been on or after 1 January 2022.**

*Exploration or expansion of fossil fuel resources and resource fields referred to in this must have started on or after 1 January 2022.*

*3. Exposures related to existing fossil fuel resources, as referred to in paragraph 1 of this Article, shall be assigned a risk weight of 150 %*

*4. Exposures related to new fossil fuel resources, as referred to in paragraph 2 of this Article, shall be assigned a risk weight of 1250 %*

*5. Corporates publishing a transition plan as defined in article 19a, paragraph 2, point (iii), of Directive 2013/34/EU and as specified in the delegated acts adopted in accordance with Article 29b of Directive 2013/34/EU, shall not be subject to the treatment set out in this Article. For this rule to apply, the transition plan shall be subject to an assurance engagement respecting the dispositions set out in Directive [CSRD]for the assurance of sustainability reporting.*

Or. en

#### *Justification*

*As part of the CRR review, it would be appropriate to propose that a bank that continues to finance fossil fuels should bear the full risk. This is not to prohibit its financing, but rather to ensure that when a bank makes a new investment in fossil fuels, the cost of capital reflects the risks those energies represent for both climate and financial stability.*

#### **Amendment 842**

**Ville Niinistö**

on behalf of the Verts/ALE Group

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 47 a (new)**

Regulation EU 575/2013

Article 126b (new)

*Text proposed by the Commission*

*Amendment*

***(47 a) the following article is inserted:***

***'Article 126b***

***Fossil fuel sector exposures***

***1. For the purpose of this Article, the following exposures shall be considered as exposures to existing fossil fuel resources, where these resources have been explored and known before [date of entry into force of this Regulation]:***

***i) Exposures to projects in fossil fuel sectors;***

***ii) Exposures to companies active in fossil fuel sectors, excluding the ones which invest in expansion or exploration and plan to add fossil fuel resources to their production portfolio;***

***iii) Exposure to power plants, combined heat and power plants and heat plants that burn fossil fuels***

***2. The following shall be considered exposures to new fossil fuel resources, where the exploration or expansion of these exposures have started after [date of entry into force of this Regulation]:***

***i) Exposure to fossil fuel extraction projects, transport facilities and other infrastructure that drive expanded extraction, which have not received a final investment decision prior to [date of the entry into force of this Regulation];***

***ii) Exposures to companies active in fossil fuel sectors, which invest in expansion and exploration and plan to add fossil fuel resources to their production portfolio;***

***iii) Exposure to power plants, combined heat and power plants and heat plants that burn fossil fuels for which the final investment decision to explore or expand the exploitation of such fossil fuel has been taken after [date of entry into force of this Regulation ]***

***3. Exposures related to existing fossil fuel resources, as referred to in paragraph 1 of this Article, shall be assigned a risk weight of 150 %.***

*4. Exposures related to new fossil fuel resources, as referred to in paragraph 2 of this Article, shall be assigned a risk weight of 1250 %.*

*5. An institution's total exposure to existing and new fossil resources must not be higher than 10% of the institution's Tier 1 capital at all times.*

Or. en

**Amendment 843**

**Ville Niinistö**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 47 b (new)**

Regulation EU 575/2013

Article 126c (new)

*Text proposed by the Commission*

*Amendment*

*(47 b) the following article is inserted:*

*'Article 126c*

*Crypto-asset exposures*

*1. For the purpose of this Article, institutions shall identify their exposures to crypto-assets as follows:*

*- DLT financial instruments as defined in [insert reference to DLT Pilot Regulation], asset reference tokens, e-money tokens as defined in [insert reference to MICA Regulation] shall be categorised as class 1 crypto-asset exposures*

*- Other crypto assets as defined in [insert reference to MICA Regulation] shall be classified as class 2 crypto-asset exposures*

*2. Institutions shall determine the allocation of class 1 crypto-asset exposures between the banking book and the trading book according to the boundary criteria applied to the reference asset. Class 1 crypto-exposures allocated to the banking book shall be subject to the*

*same risk weights as the reference asset. Class 1 crypto asset exposures allocated to the trading book shall be subject to the requirements set in Articles 325 to 325bp of this Regulation.*

*3. Class 2 crypto-asset exposures shall receive a risk weight of 1250% to the greater of the absolute value of the aggregate long positions and the absolute value of the aggregate short positions in the crypto-asset.*

*4. An institution's total exposure to class 2 crypto-asset exposures must not be higher than 1% of the institution's Tier 1 capital at all times.*

*5. EBA, after consulting the ESRB, shall, on the basis of the ESMA assessment of the risks posed by distributed ledger technology referred to in Article 14(1) point h) of [insert reference to DLT Pilot Regulation] assess whether a dedicated prudential treatment for DLT financial instruments is warranted. Based on this report and on international regulatory developments, and if appropriate, the Commission shall submit a legislative proposal to the European Parliament and the Council.*

Or. en

#### **Amendment 844**

**Marco Zanni, Antonio Maria Rinaldi, Valentino Grant**

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 49**

Regulation (EU) No 575/2013

Article 128 – paragraph 1 – point a

*Text proposed by the Commission*

(a) debt exposures which are subordinated to claims of ***another creditor***;

*Amendment*

(a) debt exposures which are subordinated to claims of ***other ordinary unsecured creditors***;

Or. en

## Amendment 845

José Manuel García-Margallo y Marfil

### Proposal for a regulation

Article 1 – paragraph 1 – point 50 a (new)

Regulation 575/2013

Article 129 – paragraph 1 – introductory part

*Present text*

1. To be eligible for the preferential treatment set out in paragraphs 4 and 5 of this Article, covered bonds as defined in point (1) of Article 3 of Directive (EU) 2019/2162 of the European Parliament and of the Council ( 22 ) shall meet the requirements set out in paragraphs 3, 3a and 3b of this Article and shall be collateralised by any of the following eligible assets:

*Amendment*

***(50 a) Article 129(1), introductory part, is replaced by the following***

"1. To be eligible for the preferential treatment set out in paragraphs 4 and 5 ***of*** this Article, covered bonds as defined in point (1) of Article 3 of Directive (EU) 2019/2162 of the European Parliament and of the Council ***(1) and the counterparties of derivative contracts defined in article 11 of Directive (EU) 2019/2162*** shall meet the requirements set out in paragraphs 3, 3a and 3b of this Article and shall be collateralised by any of the following eligible assets:

"

Or. en

*(Regulation 575/2013)*

## Amendment 846

Linea Sogaard-Lidell, Pernille Weiss, Nicola Beer, Engin Eroglu

### Proposal for a regulation

Article 1 – paragraph 1 – point 50 a (new)

Regulation (EU) No 575/2013

Article 129 – paragraph 1 – point c

*Present text*

‘(c) exposures to credit institutions that qualify for credit quality step 1 or credit quality step 2, or exposures to credit institutions that qualify for credit quality step 3 where those exposures are in the

*Amendment*

***(50 a)*** in Article 129( 1), point (c) is replaced by the following:

‘(c) exposures to credit institutions that qualify for credit quality step 1 or credit quality step 2 ***or credit risk assessment grade A***, or exposures to credit institutions that qualify for credit quality step 3 ***or***



form of:

(i) short-term deposits with an original maturity not exceeding 100 days, where used to meet the cover pool liquidity buffer requirement of Article 16 of Directive (EU) 2019/2162; or

(ii) derivative contracts that meet the requirements of Article 11(1) of that Directive, where permitted by the competent authorities;'

**credit risk assessment grade B** where those exposures are in the form of:

(i) short-term deposits with an original maturity not exceeding 100 days, where used to meet the cover pool liquidity buffer requirement of Article 16 of Directive (EU) 2019/2162; or

(ii) derivative contracts that meet the requirements of Article 11(1) of that Directive, where permitted by the competent authorities;'

**(iii) guarantees, where permitted by the competent authority**

"

Or. en

*(<https://eur-lex.europa.eu/eli/reg/2019/2160/oj>)*

#### *Justification*

*In the regulation of covered bonds in Article 129, (1)(c) there are requirements regarding exposures to institution in the cover pool with reference to credit quality steps. An amendment is needed to implement the new grades for unrated institutions in Article 121 into the regulation of covered bonds. An amendment regarding collateralisation of covered bonds is also needed. Eligible assets could also be exposures to credit institutions that qualify for credit quality step 3 or credit risk assessment grade B in the form of guarantees i.e. guarantees in connection with mortgage loans, where permitted by the competent authority. With the amendment, exposures to high credit quality unrated institutions could still be used as an eligible asset in a cover pool.*

#### **Amendment 847**

**Linea Sogaard-Lidell, Pernille Weiss, Nicola Beer, Engin Eroglu**

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 50 b (new)**

Regulation (EU) No 575/2013

Article 129 – paragraph 1a

*Present text*

*Amendment*

**(50 b) Article 129(1a) is replaced by the following:**

"

1a. For the purposes of point (c) of the first

1a. For the purposes of point (c) of the first

subparagraph of paragraph 1, the following shall apply:

(a) for exposures to credit institutions that qualify for credit quality step 1, the exposure shall not exceed 15 % of the nominal amount of outstanding covered bonds of the issuing credit institution;

(b) for exposures to credit institutions that qualify for credit quality step 2, the exposure shall not exceed 10 % of the nominal amount of outstanding covered bonds of the issuing credit institution;

(c) for exposures to credit institutions that qualify for credit quality step 3 that take the form of short-term deposits, as referred to in point (c)(i) of the first subparagraph of paragraph 1 of this Article, or the form of derivative contracts, as referred to in point (c)(ii) of the first subparagraph of paragraph 1 of this Article, the total exposure shall not exceed 8 % of the nominal amount of outstanding covered bonds of the issuing credit institution; the competent authorities designated pursuant to Article 18(2) of Directive (EU) 2019/2162 may, after consulting EBA, allow exposures to credit institutions that qualify for credit quality step 3 in the form of derivative contracts, provided that significant potential concentration problems in the Member States concerned due to the application of credit quality step 1 and 2 requirements referred to in this paragraph can be documented;

(d) the total exposure to credit institutions that qualify for credit quality step 1, 2 or 3 **shall** not exceed 15 % of the nominal amount of outstanding covered bonds of the issuing credit institution and the total exposure to credit institutions that qualify

subparagraph of paragraph 1, the following shall apply:

(a) for exposures to credit institutions that qualify for credit quality step 1, the exposure shall not exceed 15 % of the nominal amount of outstanding covered bonds of the issuing credit institution;

(b) for exposures to credit institutions that qualify for credit quality step 2 **or credit risk assessment grade A**, the exposure shall not exceed 10 % of the nominal amount of outstanding covered bonds of the issuing credit institution;

(c) for exposures to credit institutions that qualify for credit quality step 3 **or credit risk assessment grade B** that take the form of short-term deposits, as referred to in point (c)(i) of the first subparagraph of paragraph 1 of this Article, or the form of derivative contracts, as referred to in point (c)(ii) **of the first subparagraph of paragraph 1 of this Article, or the form of guarantees, as referred to in point (c)(iii)** of the first subparagraph of paragraph 1 of this Article, the total exposure shall not exceed 8 % of the nominal amount of outstanding covered bonds of the issuing credit institution; the competent authorities designated pursuant to Article 18(2) of Directive (EU) 2019/2162 may, after consulting EBA, allow exposures to credit institutions that qualify for credit quality step 3 **or credit risk assessment grade B** in the form of derivative contracts **or guarantees**, provided that significant potential concentration problems in the Member States concerned due to the application of credit quality step 1 and 2 requirements **or credit risk assessment grade A** referred to in this paragraph can be documented;

(d) the total exposure to credit institutions that qualify for credit quality step 1, 2 or 3 **or credit risk assessment grade A or B all** not exceed 15 % of the nominal amount of outstanding covered bonds of the issuing credit institution and the total exposure to

for credit quality step 2 or 3 shall not exceed 10 % of the nominal amount of outstanding covered bonds of the issuing credit institution. :

credit institutions that qualify for credit quality step 2 or 3 **or credit risk assessment grade A and B** shall not exceed 10 % of the nominal amount of outstanding covered bonds of the issuing credit institution.

"

Or. en

*(<https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32019R2160&from=EN>)*

### *Justification*

*In the regulation of covered bonds in Article 129, (1)(c) there are requirements regarding exposures to institutions in the cover pool with reference to credit quality steps. An amendment is needed to implement the new grades for unrated institutions in Article 121 into the regulation of covered bonds. An amendment regarding collateralisation of covered bonds is also needed. Eligible assets could also be exposures to credit institutions that qualify for credit quality step 3 or credit risk assessment grade B in the form of guarantees i.e. guarantees in connection with mortgage loans, where permitted by the competent authority. With the amendment, exposures to high credit quality unrated institutions could still be used as an eligible asset in a cover pool.*

### **Amendment 848**

**Linea Sogaard-Lidell, Nicola Beer, Engin Eroglu**

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 50 c (new)**

Regulation (EU) No 575/2013

Article 129 – paragraph 4 – subparagraph 1a (new)

*Present text*

*Amendment*

***(50 c) in Article 129(4), the following subparagraph is added***

***Exposures in the form of derivatives for hedging purposes as referred to in Articles 11 and 4 of Directive (EU) 2019/2162 shall be assigned the same risk weight that the derivative counterparty would assign to the covered bonds.***

"

Or. en

(32013R0575)

*Justification*

*Articles 129 (4) and (5) should be amended to not only include covered bonds but also “covered derivatives” as eligible for the preferential treatment in paragraph 4 and 5, and, hence, a LGD of 11.25 per cent according to Article 161(1)(d). This is justified with reference to the new Covered Bond Directive (2019/2162/EU) detailing the requirements for derivatives to qualify as “covered derivatives”. This amendment would rightly and better reflect the equal rights in the cover pool (i.e. ranking pari passu). Any preferential treatment would be limited only to derivative counter-parties of a covered bond issuer. It would also encourage prudent risk management in the cover pool.*

**Amendment 849**

**Linea Søgaard-Lidell, Engin Eroglu, Nicola Beer**

**Proposal for a regulation**

**Article 1 – point 50 a (new)**

Regulation (EU) No 575/2013

Article 129 – paragraph 4 – table 6a

*Present text*

Table 6a

	1	2	3	4	5	6
Credit quality step						
Risk weight (%)	10%	<b>20%</b>	20%	50%	50%	100%

*Amendment*

Table 6a

	1	2	3	4	5	6
Credit quality step						
Risk weight (%)	10%	<b>15%</b>	20%	50%	50%	100%

Or. en

### *Justification*

*The risk weight in credit quality step 2 should be reduced due to amended risk weight for exposures to credit institutions with a credit assessment by a nominated ECAI available in Article 120.*

#### **Amendment 850**

**Linea Sogaard-Lidell, Pernille Weiss, Nicola Beer, Engin Eroglu**

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 50 d (new)**

Regulation (EU) No 575/2013

Article 129 – paragraph 5 – subparagraph 1 a (new)

*Present text*

*Amendment*

***(50 d) in Article 129(5) the following subparagraph is added:***

***Exposures in the form of derivatives for hedging purposes as referred to in Articles 11 and 4 of Directive (EU) 2019/2162 shall be assigned the same risk weight that the derivative counterparty would assign to the covered bonds.***

***"***

Or. en

*(<https://eur-lex.europa.eu/eli/reg/2019/2160/oj>)*

### *Justification*

*Articles 129 (4) and (5) should be amended to not only include covered bonds but also “covered derivatives” as eligible for the preferential treatment in paragraph 4 and 5, and, hence, a LGD of 11.25 per cent according to Article 161(1)(d). This is justified with reference to the new Covered Bond Directive (2019/2162/EU) detailing the requirements for derivatives to qualify as “covered derivatives”. This amendment would rightly and better reflect the equal rights in the cover pool (i.e. ranking pari passu). Any preferential treatment would be limited only to derivative counter-parties of a covered bond issuer. It would also encourage prudent risk management in the cover pool.*

#### **Amendment 851**

**Gianna Gancia**

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 51 a (new)**

*Present text*

Subject to Article 132b(2), institutions that do not apply the look-through approach or the mandate-based approach shall assign a risk weight of 1 250 % ('fall-back approach') to their exposures in the form of units or shares in a CIU.

*Amendment*

***(51 a) in Article 132(2), subparagraph 2 is replaced by the following:***

Subject to Article 132b(2), institutions that do not apply the look-through approach or the mandate-based approach shall assign a risk weight of 1250 % ('fall-back approach') to their exposures in the form of units or shares in a CIU. ***As an alternative to applying a 1 250 % risk weight, institutions may deduct those amounts from Common Equity Tier 1 items in accordance with point (k) of Article 36(1).***

Or. en(<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02013R0575-20220410&qid=1657192873239>)

**Amendment 852**

**Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 51 a (new)**

Regulation (EU) 575/2013

Article 132 – paragraph 2 – subparagraph 2

*Present text*

Subject to Article 132b(2), institutions that do not apply the look-through approach or the mandate-based approach shall assign a risk weight of 1 250 % ('fall-back approach') to their exposures in the form of units or shares in a CIU.

*Amendment*

***(51 a) in Article 132(2), subparagraph 2 is replaced by the following:***

Subject to Article 132b (2), institutions that do not apply the look-through approach or the mandate-based approach shall assign a risk weight of 1 250 % ('fall-back approach') to their exposures in the form of units or shares in a CIU. ***As an alternative to applying a 1 250 % risk weight, institutions may deduct those amounts from Common Equity Tier 1 items in accordance with point (k) of Article 36(1).***

Or. en

## Amendment 853

Raffaele Fitto

### Proposal for a regulation

Article 1 – paragraph 1 – point 51 a (new) Regulation (EU) 575/2013

Article 132 – paragraph 2 – subparagraph 2

#### *Present text*

Subject to Article 132b(2), institutions that do not apply the look-through approach or the mandate-based approach shall assign a risk weight of 1 250 % ('fall-back approach') to their exposures in the form of units or shares in a CIU.

#### *Amendment*

***(51 a) in Article 132(2), subparagraph 2 is replaced by the following:***

Subject to Article 132b(2), institutions that do not apply the look-through approach or the mandate-based approach shall assign a risk weight of 1250 % ('fall-back approach') to their exposures in the form of units or shares in a CIU. ***As an alternative to applying a 1 250 % risk weight, institutions may deduct those amounts from Common Equity Tier 1 items in accordance with point (k) of Article 36(1)***

Or. en

## Amendment 854

Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello

### Proposal for a regulation

Article 1 – paragraph 1 – point 52

Regulation (EU) 575/2013

Article 133 – paragraph 1 – point c – point iv – introductory part

#### *Text proposed by the Commission*

(iv) the holder of the instrument has the option to require that the obligation be settled in equity shares, unless one of the following conditions is met:

#### *Amendment*

(iv) the holder of the instrument has ***exercised*** the option to require that the obligation be settled in equity shares, unless one of the following conditions is met:

Or. en

## Amendment 855

Raffaele Fitto

### Proposal for a regulation

Article 1 – paragraph 1 – point 52

Regulation (EU) No 575/2013

Article 133 – paragraph 1 – point c – point iv – introductory part

*Text proposed by the Commission*

*Amendment*

(iv) the holder of the instrument has the option to require that the obligation be settled in equity shares, unless one of the following conditions is met:

(iv) the holder of the instrument has ***exercised*** the option to require that the obligation be settled in equity shares, unless one of the following conditions is met:

Or. en

#### **Amendment 856**

**Marco Zanni, Antonio Maria Rinaldi, Valentino Grant**

#### **Proposal for a regulation**

##### **Article 1 – paragraph 1 – point 52**

Regulation (EU) No 575/2013

Article 133 – paragraph 1 – point c – point iv – introductory part

*Text proposed by the Commission*

*Amendment*

(iv) the holder of the instrument has the option to require that the obligation be settled in equity shares, unless one of the following conditions is met:

(iv) the holder of the instrument has ***exercised*** the option to require that the obligation be settled in equity shares, unless one of the following conditions is met:

Or. en

#### **Amendment 857**

**Gianna Gancia**

#### **Proposal for a regulation**

##### **Article 1 – paragraph 1 – point 52**

Regulation (EU) No 575/2013

Article 133 – paragraph 1 – point c – point iv – introductory part

*Text proposed by the Commission*

*Amendment*

(iv) the holder of the instrument has the option to require that the obligation be settled in equity shares, unless one of the following conditions is met:

(iv) the holder of the instrument has ***exercised*** the option to require that the obligation be settled in equity shares, unless one of the following conditions is met:

Or. en



**Amendment 858**  
**Gianna Gancia**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 52**

Regulation (EU) No 575/2013

Article 133 – paragraph 3 and 3 a (new)

*Text proposed by the Commission*

3. Equity exposures, other than those referred to in paragraph 4 to 7, shall be assigned a risk weight of 250 %, unless those exposures are required to be deducted or risk-weighted in accordance with Part Two.

*Amendment*

3. Equity exposures, other than those referred to in paragraph **3a and** 4 to 7, shall be assigned a risk weight of 250 %, unless those exposures are required to be deducted or risk-weighted in accordance with Part Two.

**3a. Exposures to equity listed on regulated markets shall be assigned a risk weight of 100%. Private equity exposures in sufficiently diversified portfolios shall be assigned a risk weight of 190 % unless those exposures are required to be deducted.**

Or. en

**Amendment 859**

**Marco Zanni, Antonio Maria Rinaldi, Valentino Grant**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 52**

Regulation (EU) No 575/2013

Article 133 – paragraph 3 and 3a (new)

*Text proposed by the Commission*

3. Equity exposures, other than those referred to in paragraph 4 to 7, shall be assigned a risk weight of 250 %, unless those exposures are required to be deducted or risk-weighted in accordance with Part Two.

*Amendment*

3. Equity exposures, other than those referred to in paragraph **3a and** 4 to 7, shall be assigned a risk weight of 250 %, unless those exposures are required to be deducted or risk-weighted in accordance with Part Two.

**3a. Exposures to equity listed on regulated markets shall be assigned a risk weight of 100%. Private equity exposures in sufficiently diversified portfolios shall be assigned a risk weight of 190 % unless those exposures are required to be**

*deducted.*

Or. en

**Amendment 860**

**Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 52**

Regulation (EU) 575/2013

Article 133 – paragraph 3

*Text proposed by the Commission*

3. *Equity exposures, other than those referred to in paragraph 4 to 7, shall be assigned a risk weight of 250 %, unless those exposures are required to be deducted or risk-weighted in accordance with Part Two.*

*Amendment*

3. Equity exposures, other than those referred to in paragraph **3a and** 4 to 7, shall be assigned a risk weight of 250 %, unless those exposures are required to be deducted or risk-weighted in accordance with Part Two.

Or. en

**Amendment 861**

**Raffaele Fitto**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 52**

Regulation (EU) No 575/2013

Article 133 – paragraph 3

*Text proposed by the Commission*

3. *Equity exposures, other than those referred to in paragraph 4 to 7, shall be assigned a risk weight of 250 %, unless those exposures are required to be deducted or risk-weighted in accordance with Part Two.*

*Amendment*

3. *Equity exposures, other than those referred to in paragraphs **3a and** 4 to 7, shall be assigned a risk weight of 250 %, unless those exposures are required to be deducted or risk-weighted in accordance with Part Two.*

Or. en

**Amendment 862**

**Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 52**

Regulation (EU) 575/2013  
Article 133 – paragraph 3a (new)

*Text proposed by the Commission*

*Amendment*

**3a. Exposures to equity listed on regulated markets shall be assigned a risk weight of 100%. Private equity exposures in sufficiently diversified portfolios shall be assigned a risk weight of 190 % unless those exposures are required to be deducted.**

Or. en

**Amendment 863**  
**Raffaele Fitto**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 52**  
REGULATION (EU) No 575/2013  
Article 133 – paragraph 3 a (new)

*Text proposed by the Commission*

*Amendment*

**3a. Exposures to equity listed on regulated markets shall be assigned a risk weight of 100%. Private equity exposures in sufficiently diversified portfolios shall be assigned a risk weight of 190% unless those exposures are required to be deducted.**

Or. en

**Amendment 864**  
**José Manuel García-Margallo y Marfil, Isabel Benjumea Benjumea**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 52**  
Regulation (EU) No 575/2013  
Article 133 – paragraph 4 – subparagraph 2

*Text proposed by the Commission*

*Amendment*

By way of derogation from the first subparagraph, long-term equity investment, including investments in equities of

By way of derogation from the first subparagraph, long-term equity investment, including investments in equities of

corporate clients with which the institution has or intends to establish a long-term business relationship as well as venture capital firms and debt-equity swaps for corporate restructuring purposes shall be assigned a risk weight in accordance with paragraph 3 or 5, as applicable. For the purposes of this Article, a long-term equity investment is an equity investment that is held for three years or longer or incurred with the intention to be held for three years or longer as approved by the institution's senior management.

corporate clients with which the institution has or intends to establish a long-term business relationship as well as venture capital firms, ***when they are related to activities which are part of the bank's strategy approved by the Board, such as digitalization and sustainability***, and debt-equity swaps for corporate restructuring purposes shall be assigned a risk weight in accordance with paragraph 3 or 5, as applicable. For the purposes of this Article, a long-term equity investment is an equity investment that is held for three years or longer or incurred with the intention to be held for three years or longer as approved by the institution's senior management.

Or. en

#### **Amendment 865**

**José Manuel García-Margallo y Marfil, Isabel Benjumea Benjumea**

#### **Proposal for a regulation**

#### **Article 1 – paragraph 1 – point 52**

Regulation 575/2013

Article 133 – paragraph 4b (new)

*Text proposed by the Commission*

*Amendment*

***4b. Equity exposures in sufficiently diversified portfolios, including exposures to venture capital funds, shall be given a 190% risk weight.***

Or. en

#### **Amendment 866**

**Ville Niinistö**

on behalf of the Verts/ALE Group

#### **Proposal for a regulation**

#### **Article 1 – paragraph 1 – point 52**

Regulation EU 575/2013

Article 133 – paragraph 5 – introductory part

*Text proposed by the Commission*

*Amendment*

5. Institutions that have received the

5. Institutions that have received the

prior permission of the competent authorities, may assign a risk weight of 100 % to equity exposures incurred under legislative programmes to promote specified sectors of the economy that comply with all of the following conditions:

prior permission of the competent authorities, may assign a risk weight of 100 % to equity exposures incurred under legislative programmes to promote specified sectors of the economy, ***up to the part of such equity exposures that in aggregate does not exceed 10 % of the institution's own funds***, that comply with all of the following conditions:

Or. en

#### **Amendment 867**

**Ville Niinistö**

on behalf of the Verts/ALE Group

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 52**

Regulation EU 575/2013

Article 133 – paragraph 5 – point c

*Text proposed by the Commission*

(c) ***such equity exposures in aggregate do not exceed 10 % of the institutions own funds.***

*Amendment*

(c) ***the legislative programme involves restrictions on the equity investment, such as limitations on the size and types of businesses in which the institution is investing, on allowable amounts of ownership interests, on the geographical location and on other pertinent factors that limit the potential risk of the investment for the institution.***

Or. en

#### **Amendment 868**

**Fabio Massimo Castaldo**

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 52**

Regulation (EU) No 575/2013

Article 133 – paragraph 6

*Text proposed by the Commission*

6. Equity exposures to central banks shall be assigned a risk weight of **100 %**.

*Amendment*

6. Equity exposures to central banks shall be assigned a risk weight of **0 %**.

Or. en

**Amendment 869**  
**Gianna Gancia**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 52**  
Regulation (EU) No 575/2013  
Article 133 – paragraph 6

*Text proposed by the Commission*

6. Equity exposures to central banks shall be assigned a risk weight of **100** %.

*Amendment*

6. Equity exposures to central banks shall be assigned a risk weight of **0** %.

Or. en

**Amendment 870**  
**Raffaele Fitto**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 52**  
Regulation (EU) No 575/2013  
Article 133 – paragraph 6

*Text proposed by the Commission*

6. Equity exposures to central banks shall be assigned a risk weight of **100** %.

*Amendment*

6. Equity exposures to central banks shall be assigned a risk weight of **0** %.

Or. en

**Amendment 871**  
**Antonio Tajani, Herbert Dorfmann, Fulvio Martusciello**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 52**  
Regulation (EU) 575/2013  
Article 133 – paragraph 6

*Text proposed by the Commission*

6. Equity exposures to central banks shall be assigned a risk weight of **100** %.

*Amendment*

6. Equity exposures to central banks shall be assigned a risk weight of **0** %.

Or. en

## **Amendment 872**

**Irene Tinagli**

### **Proposal for a regulation**

#### **Article 1 – paragraph 1 – point 52**

Regulation 575/2013

Article 133 – paragraph 6

*Text proposed by the Commission*

6. Equity exposures to central banks shall be assigned a risk weight of **100** %.

*Amendment*

6. Equity exposures to central banks shall be assigned a risk weight of **0** %.

Or. en

## **Amendment 873**

**Marco Zanni, Antonio Maria Rinaldi, Valentino Grant**

### **Proposal for a regulation**

#### **Article 1 – paragraph 1 – point 52**

Regulation (EU) No 575/2013

Article 133 – paragraph 6

*Text proposed by the Commission*

6. Equity exposures to central banks shall be assigned a risk weight of **100** %.

*Amendment*

6. Equity exposures to central banks shall be assigned a risk weight of **0** %.

Or. en

## **Amendment 874**

**Engin Eroglu**

### **Proposal for a regulation**

#### **Article 1 – paragraph 1 – point 52**

Regulation (EU) No 575/2013

Article 133 – paragraph 7a (new)

*Text proposed by the Commission*

*Amendment*

***7 a. Equity exposures which represent a strategic investment for institutions shall be assigned a risk weight of 100%.***

***Other equity investments shall be assigned the following risk weights:***

***a) 100% for participations by collective investment undertakings in an entity established specifically to hold ownership***

*rights in real estate property*

*b) 150% for participations in an entity established specifically to finance or operate physical structures or facilities, systems and networks. The entity must provide or support basic public services (e.g. financing of broadband and energy networks, transport infrastructure, education, etc.)*

*c) 160% for equity investments held in CIU, if the individual underlying is an equity investment equal to or smaller than 10% of the CIU's NAV according to the documented intention of investment diversification d) 170% for investments with the intent to hold for a period of at least 10 years*

*d) 200% for investments in the form of publicly quoted shares listed in appropriately diversified indices investment for institutions shall be assigned a risk weight of 100%.*

*For the purposes of this paragraph, a strategic equity investment is an equity investment which has a long-term nature proven by a holding period of at least 6 years or documented intention of a holding intention of at least 6 years; and where there is no intention to make a short-term profit by selling the equity exposure .*

Or. en

#### *Justification*

*The standard risk weight for equity is raised from 100% to 250% by Article 133. High-risk equity investments are even to receive a risk weight of 400%. This is not risk-appropriate. Basically, a distinction needs to be made between strategic equity and pure equity investments: institutions may hold stakes in other companies for strategic reasons. These holdings are of a long-term nature and do not serve to generate profit from increases in the value of the investee companies. This is also desired by policymakers, as capital is thus available for innovation in the long term; this differs from “venture capital”, which legislators have in mind. The general risk weighting is therefore not logical from a risk perspective – the long-term stability of the investee is of greater relevance to them than the short or medium-term performance of the equity investment.*



**Amendment 875**  
**Markus Ferber**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 52**  
Regulation (EU) 575/2013  
Article 133 – paragraph 7a (new)

*Text proposed by the Commission*

*Amendment*

**7 a. Long-term strategic equity exposures with an intended holding period of at least six years shall be assigned a risk weight of 100%.**

Or. en

*Justification*

*Strategic long-term investments should be treated differently than short-term speculative ones.*

**Amendment 876**  
**Pascal Canfin, Gilles Boyer**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 52 a (new)**  
Regulation (EU) No 575/2013  
Article 133a (new)

*Text proposed by the Commission*

*Amendment*

**(52 a) the following article is inserted :**

**Article 133a**

**Fossil fuel sector equity exposures for corporates**

**1. The following shall be considered companies having activities relating to existing fossil fuel resources:**

**(i) companies in the sectors of the economy which produce, process, store or use fossil fuels as defined in Article 2(62) of Regulation (EU) 2018/1999 of the European Parliament and of the Council**

**(ii) companies active in fossil fuel sectors, excluding the ones which invest in**

*expansion or exploration and plan to add fossil fuel resources to their production portfolio*

*(iii) companies exploiting power plants that burn fossil fuels to generate power.*

*Fossil fuel resources and resource fields referred to in this subparagraph must have been explored and known as of 31 December 2021.*

*2. The following shall be considered companies having activities relating to new fossil fuel resources:*

*(i) companies in the sectors of the economy which produce, process, store or use fossil fuels as defined in Article 2(62) of Regulation (EU) 2018/1999 of the European Parliament and of the Council This includes all projects which have not received a final investment decision (FID) before 31 December 2021*

*(i) companies active in fossil fuel sectors, which invest in expansion and exploration and plan to add fossil fuel resources to their production portfolio*

*(iii) companies exploiting power plants that burn fossil fuels to generate power; the FID for the exploration or expansion of such fossil fuels must have been on or after 1 January 2022.*

*Exploration or expansion of fossil fuel resources and resource fields referred to in this must have started on or after 1 January 2022.*

*3. Equity exposures in companies having activities relating to existing fossil fuel resources, as referred to in paragraph 1 of this Article, shall be assigned a risk weight of 400 %*

*4. Equity exposures in companies having activities relating to new fossil fuel resources, as referred to in paragraph 2 of this Article, shall be assigned a risk weight of 1250 %*

*5. Corporates publishing a transition plan*

*as defined in article 19a, paragraph 2, point (iii), of Directive 2013/34/EU and as specified in the delegated acts adopted in accordance with Article 29b of Directive 2013/34/EU, shall not be subject to the treatment set out in this Article. For this rule to apply, the transition plan shall be subject to an assurance engagement respecting the dispositions set out in Directive [CSRD] for the assurance of sustainability reporting.*

Or. en

#### *Justification*

*As part of the CRR review, it would be appropriate to propose that a bank that continues to finance fossil fuels should bear the full risk. This is not to prohibit its financing, but rather to ensure that when a bank makes a new investment in fossil fuels, the cost of capital reflects the risks those energies represent for both climate and financial stability.*

#### **Amendment 877**

**Ville Niinistö**

on behalf of the Verts/ALE Group

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 53 – point a**

Regulation EU 575/2013

Article 134 – paragraph 3

#### *Text proposed by the Commission*

3. Cash items in the process of collection shall be assigned a 20 % risk weight. Cash owned and held by the institution *or in transit*, and equivalent cash items shall be assigned a 0 % risk weight.;

#### *Amendment*

3. Cash items in the process of collection shall be assigned a 20 % risk weight. Cash owned and held by the institution, and equivalent cash items shall be assigned a 0 % risk weight.;

Or. en

#### **Amendment 878**

**Gilles Boyer, Stéphanie Yon-Courtin, Billy Kelleher, Olivier Chastel**

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 53 – point a a (new)**

Reglement (EU) 575/2013

Article 134 – paragraph 7 a new

*Text proposed by the Commission*

*Amendment*

***7a . The risk weights applicable to securities financing transactions exposures shall be capped at 50% and 20% where the exposures residual maturities are respectively one year or less and 3 months or less***

Or. en

*Justification*

*In order to make the SA more risk sensitive, it is necessary to adjust the SA treatment for securities financing transactions given their usually very short-term maturity in order to avoid significant and unjustified increase of the risk weights applicable to these kinds of exposures. It is therefore proposed to provide specific risk weights for securities financing transactions with short-term maturities in a similar way as existed for trade finance exposures in art. 121(4) of CRR2.*

#### **Amendment 879**

**Fabio Massimo Castaldo**

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 53 – point b a (new)**Reglement (EU) 575/2013

Article 134 – paragraph 8 a (new)

*Text proposed by the Commission*

*Amendment*

***(b a) the following paragraph 8a is added:***

***8a. Securities financing transactions exposures risk weights shall be capped at 50 % and 20 % where the exposures residual maturities are respectively one year or less and 3 months or less.***

Or. en

#### **Amendment 880**

**Agnès Evren**

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 53 – point b a (new)**

Regulation (EU) No 575/2013

Article 134 – paragraph 8 a (new)

*Text proposed by the Commission*

*Amendment*

***8a. Regarding SFTs, securities financing transactions exposures risk weights shall be capped at 50 % and 20% where the exposures residual maturities are respectively one year or less and 3 months or less;***

Or. en

**Amendment 881**

**Gianna Gancia**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 53 – point b a (new)**

Regulation (EU) No 575/201

Art 134 – paragraph 8a (new)

*Text proposed by the Commission*

*Amendment*

***8a. Securities financing transactions exposures risk weights shall be capped at 50 % and 20% where the exposures residual maturities are respectively one year or less and 3 months or less.***

Or. en

**Amendment 882**

**Raffaele Fitto**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 53 a (new) Regulation (EU) No 575/201**

Art 134 – paragraph 8 a (new)

*Text proposed by the Commission*

*Amendment*

***8a Securities financing transactions exposures risk weights shall be capped at 50 % and 20% where the exposures residual maturities are respectively one year or less and 3 months or less.***

Or. en

**Amendment 883**  
**Carlo Calenda**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 53 a (new)**  
Regulation (EU) 575/2013  
Article 134 – paragraph 8 a (new)

*Text proposed by the Commission*

*Amendment*

**8a. Securities financing transactions exposures risk weights shall be capped at 50 % and 20% where the exposures residual maturities are respectively one year or less and 3 months or less.**

Or. en

**Amendment 884**  
**Ville Niinistö**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 54 – introductory part**  
Regulation EU 575/2013  
Article 135

*Text proposed by the Commission*

*Amendment*

(54) in Article 135, the following **paragraph 3** is added:

(54) in Article 135, the following **paragraphs 3 and 3a** are added:

Or. en

**Amendment 885**  
**Ville Niinistö**  
on behalf of the Verts/ALE Group

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 54**  
Regulation EU 575/2013  
Article 135 – paragraph 3

*Text proposed by the Commission*

*Amendment*

3. EBA, EIOPA and ESMA shall by [OP please insert the date = 1 year after entry into force] prepare a report on the

**3.** EBA, EIOPA and ESMA shall by [OP please insert the date = 1 year after entry into force] prepare a report on the

impediments to the availability of credit assessments by ECAIs, in particular for corporates, and on possible measures to address them taking into account differences across economic sectors and geographical areas.;

impediments to the availability of credit assessments by ECAIs, in particular for corporates, and on possible measures to address them taking into account differences across economic sectors and geographical areas. ***EBA, EIOPA and ESMA shall make the report publicly available on their websites;***

Or. en

#### **Amendment 886**

**Ville Niinistö**

on behalf of the Verts/ALE Group

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 54**

Regulation EU 575/2013

Article 135 – paragraph 3 a (new)

*Text proposed by the Commission*

*Amendment*

***3a. The ESMA shall by [OP please insert the date = 1 year after entry into force] prepare a report on whether ESG risks are appropriately reflected in ECAI credit risk rating methodologies. Based on this report and if appropriate, the Commission shall submit a legislative proposal to the European Parliament and the Council by [OP please insert the date = 18 months after entry into force]***

Or. en

#### **Amendment 887**

**Ville Niinistö**

on behalf of the Verts/ALE Group

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 55 – point a**

Regulation EU 575/2013

Article 138 – point g

*Text proposed by the Commission*

*Amendment*

(g) an institution shall not use an ECAI credit assessment in relation to an

(g) an institution shall not use an ECAI credit assessment in relation to an

institution that incorporates assumptions of implicit government support, unless the respective ECAI credit assessment refers to an institution owned by or *set up and* sponsored by central governments, regional governments or local authorities.;

institution that incorporates assumptions of implicit government support, unless the respective ECAI credit assessment refers to an institution owned by or sponsored by central governments, regional governments or local authorities.;

Or. en

#### **Amendment 888**

**Ville Niinistö**

on behalf of the Verts/ALE Group

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 55 – point b**

Regulation EU 575/2013

Article 138 – subparagraph 2

#### *Text proposed by the Commission*

For the purposes of point (g), in case of institutions, other than institutions owned by or *set up and* sponsored by central governments, regional governments or local authorities, for which only ECAI credit assessment exist which do incorporate assumptions of implicit government support, exposures to such institutions shall be treated as exposures to unrated institutions in accordance with Article 121.

#### *Amendment*

For the purposes of point (g), in case of institutions, other than institutions owned by or sponsored by central governments, regional governments or local authorities, for which only ECAI credit assessment exist which do incorporate assumptions of implicit government support, exposures to such institutions shall be treated as exposures to unrated institutions in accordance with Article 121.

Or. en

#### **Amendment 889**

**Ville Niinistö**

on behalf of the Verts/ALE Group

#### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 55 – point b**

Regulation EU 575/2013

Article 138 – subparagraph 3

#### *Text proposed by the Commission*

Implicit government support means that the central government, regional government or local authority *shall* act to prevent

#### *Amendment*

Implicit government support means that the central government, regional government or local authority *is expected to* act to



creditors of the institution from incurring losses in the event of the institution's default or distress.;

prevent creditors of the institution from incurring losses in the event of the institution's default or distress, **notably because of the absence of resolution framework relying on the "bail-in" principle.** ;

Or. en

## **Amendment 890**

**Ville Niinistö**

on behalf of the Verts/ALE Group

### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 58 – point c**

Regulation EU 575/2013

Article 142 – paragraph 1 - point 4 – point a

*Text proposed by the Commission*

(a) the entity's total assets, or the total assets of its parent company where the entity has a parent company, calculated on an individual or consolidated basis, are greater than or equal to EUR **70** billion , using the most recent audited financial statement or consolidated financial statement in order to determine asset size;

*Amendment*

(a) the entity's total assets, or the total assets of its parent company where the entity has a parent company, calculated on an individual or consolidated basis, are greater than or equal to EUR **30** billion , using the most recent audited financial statement or consolidated financial statement in order to determine asset size;

Or. en

## **Amendment 891**

**Ville Niinistö**

on behalf of the Verts/ALE Group

### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 58 – point c**

Regulation EU 575/2013

Article 142 – paragraph 1 – point 5

*Text proposed by the Commission*

(5) '**unregulated** financial sector entity' means a financial sector entity that does not fulfil the condition laid down in point (4)(b);;

*Amendment*

(5) '**other** financial sector entity' means a financial sector entity that does not fulfil the condition laid down in point (4)(b);;

Or. en

## **Amendment 892**

**Ville Niinistö**

on behalf of the Verts/ALE Group

### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 58 – point d**

Regulation EU 575/2013

Article 142 – paragraph 1 – point 5 a

*Text proposed by the Commission*

(5a) ‘large corporate’ means any corporate undertaking having consolidated annual *sales* of more than EUR **500** million or belonging to a group where the total annual *sales* for the consolidated group is more than EUR **500** million.’;

*Amendment*

(5a) ‘large corporate’ means any corporate undertaking having consolidated annual *turnover* of more than EUR **50** million or belonging to a group where the total annual *turnover* for the consolidated group is more than EUR **50** million.’;

Or. en

## **Amendment 893**

**Ville Niinistö**

on behalf of the Verts/ALE Group

### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 59 – point a**

Regulation EU 575/2013

Article 143 – paragraph 2

*Text proposed by the Commission*

2. Prior permission to the use the IRB Approach, including own estimates of LGDs and CCFs, shall be required for each exposure class and for each rating system and for each approach to estimating LGDs and CCFs used.;

*Amendment*

2. Prior permission to the use the IRB Approach, including own estimates of LGDs and CCFs, shall be required for each exposure class and for each rating system and for each approach to estimating LGDs and CCFs used.

***Exposures defined in Articles 126b and 126c shall not be eligible for the IRB approach ;***

Or. en

## **Amendment 894**

**Aurore Lalucq, Paul Tang**

### **Proposal for a regulation**

**Article 1 – paragraph 1 – point 59 – point a**

Article 143  
Article 143 – paragraph 2

*Text proposed by the Commission*

2. Prior permission to the use the IRB Approach, including own estimates of LGDs and CCFs, shall be required for each exposure class and for each rating system and for each approach to estimating LGDs and CCFs used.;

*Amendment*

2. Prior permission to the use the IRB Approach, including own estimates of LGDs and CCFs, shall be required for each exposure class and for each rating system and for each approach to estimating LGDs and CCFs used.;

***Exposures defined in Article 126b shall not be eligible for the IRB approach.***

Or. en

**Amendment 895**  
**Nicola Beer**

**Proposal for a regulation**  
**Article 1 – paragraph 1 – point 61 – point c**  
(EU) No 575/2013  
Article 147 – paragraph 3 a

*Text proposed by the Commission*

3a. Exposures to regional governments, local authorities or public sector entities shall all be assigned to the exposure class referred to in paragraph 2, point (a1), irrespective of the treatment such exposures would receive under Articles 115 or 116.;

*Amendment*

3a. Exposures to regional governments, local authorities or public sector entities shall all be assigned to the exposure class referred to in paragraph 2, point (a1), irrespective of the treatment such exposures would receive under ***unless they are treated as exposures to the central government according to*** Articles 115 or 116. ***Exposures treated as exposures to central governments according to Articles 115 or 116 shall be assigned to the exposure class referred to in paragraph 2, point (a).***

Or. en

*Justification*

*It should be ensured that the current treatment that applies to “assimilated” exposures to regional government and local authorities (RGLA) and public sector entities (PSE) according to Art. 115 and Art. 116 CRR continue to be applied without raising prudential requirements (as laid out in the EBA CfA on Credit Risk in par. 341). Such exposures should continue to benefit from the current treatment to ensure the smooth financing of public services and the*

*European regional governments. Moreover, the current option in Art. 150 CRR to treat RGLA/PSE exposures in the standardised approach even if the institution generally uses internal models should be maintained (so-called permanent partial use, PPU). The PPU should also continue to apply to exposures within banking groups and institutional protection schemes. We recognise that preferential treatment of exposures to central governments with a risk weight of 0% urgently needs to be changed in order to increase the financial stability of the banking sector. Honouring the agreement made on the 16.06.22 in the Eurogroup to postpone the decision on the regulatory treatment of sovereign bonds and to find an agreement as part of the Banking Union, we will not include an end to preferential treatments of sovereign bonds in the Banking Package.*

## **Amendment 896**

**Othmar Karas**

### **Proposal for a regulation**

#### **Article 1 – paragraph 1 – point 61 – point c**

Regulation (EU) No 575/2013

Article 147 – paragraph 3 a

#### *Text proposed by the Commission*

3a. Exposures to regional governments, local authorities or public sector entities shall **all** be assigned to the exposure class referred to in paragraph 2, point (a1), **irrespective of the treatment such exposures would receive under Articles 115 or 116.**;

#### *Amendment*

3a. Exposures to regional governments, local authorities or public sector entities shall **be assigned to the exposure class referred to in paragraph 2, point (a), given these exposures are treated according to Articles 115 or 116. In all other cases, exposures to regional governments, local authorities or public sector entities shall** be assigned to the exposure class referred to in paragraph 2, point (a1).;

Or. en

#### *Justification*

*This amendment aims to uphold the current treatment of exposures to regional government and local authorities or public sector entities if treated according to Art. 115 and Art. 116. This is justified if these exposures meet criteria have similar risk profiles to those of central governments or central banks.*

## **Amendment 897**

**Markus Ferber**

## Proposal for a regulation

### Article 1 – paragraph 1 – point 61 – point c

Regulation 575/2013

Article 147 – paragraph 3 a

#### *Text proposed by the Commission*

3a. Exposures to regional governments, local authorities or public sector entities shall all be assigned to the exposure class referred to in paragraph 2, point (a1), ***irrespective of the treatment such exposures would receive under Articles 115 or 116;***

#### *Amendment*

3a. Exposures to regional governments, local authorities or public sector entities shall all be assigned to the exposure class referred to in paragraph 2, point (a1). ***By derogation from the first sentence, exposures treated according to Articles 115 and 116 shall be assigned to the exposure class referred to in paragraph 2, point (a).***

Or. en

## Amendment 898

Engin Eroglu

## Proposal for a regulation

### Article 1 – paragraph 1 – point 61 – point c

Regulation (EU) No 575/2013

Article 147 – paragraph 3 a

#### *Text proposed by the Commission*

3a. Exposures to regional governments, local authorities or public sector entities shall all be assigned to the exposure class referred to in paragraph 2, point (a1), ***irrespective of the treatment such exposures would receive under Articles 115 or 116;***

#### *Amendment*

3a. Exposures to regional governments, local authorities or public sector entities shall all be assigned to the exposure class referred to in paragraph 2, point (a1). ***By derogation from the first sentence, exposures treated according to Articles 115 or 116 shall be assigned to the exposure class referred to in paragraph 2, point (a).***

Or. en

## Amendment 899

Agnès Evren

## Proposal for a regulation

### Article 1 – paragraph 1 – point 61 – point c

Règlement (UE) n° 575/2013

Article 147 – paragraph 3 a

*Text proposed by the Commission*

*Amendment*

3a. Exposures to regional governments, local authorities or public sector entities shall all be assigned to the exposure class referred to in paragraph 2, point (a1), ***irrespective of the treatment such exposures would receive under Articles 115 or 116.***;

3a. Exposures to regional governments, local authorities or public sector entities shall all be assigned to the exposure class referred to in paragraph 2, point (a1), ***except for exposures treated as exposures to central governments as per article 115 and 116.***;

Or. en

*Justification*

*Exposures to entities treated as exposures to central governments in the standardized framework shall be classified in the same way in the IRB approaches as “there is no differences in risk between such exposures” (article 115 §2).*

**Amendment 900**

**Ville Niinistö**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 61 – point e – point iii**

Regulation EU 575/2013

Article 147 – paragraph 5a – point a

*Text proposed by the Commission*

*Amendment*

(a) ***the exposures of that type of exposures are to individuals;***

(a) exposures ***to natural persons;***

Or. en

**Amendment 901**

**Ville Niinistö**

on behalf of the Verts/ALE Group

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 61 – point e – point iii**

Regulation EU 575/2013

Article 147 – paragraph 5a – point c

*Text proposed by the Commission*

*Amendment*

(c) the maximum exposure of that type of exposure to a single ***individual*** is EUR

(c) the maximum exposure of that type of exposure to a single ***natural person*** is

100 000 *or less*;

EUR 100 000;

Or. en